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PUBLISHER'S FOREWORD

The New Educator's Library presents in a convenient form that is likely to appeal to many specialist teachers and others whose interest lies in a select few of the aspects of Education much of the subject matter of *The Encyclopaedia and Dictionary of Education* recently issued by the Publishers; in fact, the scheme is due in great measure to the suggestions of many readers of the latter work, pointing out the desirability of issuing in sectional form the authoritative contributions on the various subjects.

It is hoped that these little books embodying, as they do, the results of research and experience of educationists and others of high distinction in their subjects, will serve a really useful purpose to teachers, to students, and to many others connected with or interested in educational matters.

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THE TEACHING OF COMMERCIAL SUBJECTS

SECTION I

COMMERCIAL EDUCATION

DURING the last generation, the educational point of view in England has shifted in a remarkable way. Formerly, all education, except primary, was directed towards academic scholarship, and was entirely antagonistic to utilitarian interests. Though this condition, to a certain extent, still survives, on account of our traditions, yet the aim of education in England and abroad is not exactly what it was. Commercial education has come to take its place in our educational system, and is daily becoming more and more important. It is difficult to give a true definition of commercial education. In the early days of its appearance, it consisted of the study of Shorthand, Typewriting, Bookkeeping, and similar subjects, taken up in a disconnected form in evening schools, the aim being to provide youths and girls with a means of acquiring knowledge which could be immediately applied in their daily lives. It was absolutely utilitarian in its aspect, and for this reason received but little encouragement. There is still the feeling, even amongst the initiated in the educational world, that commercial education consists of such instruction. This is not the sense, however, in which modern teachers regard it. Commercial education is merely a branch of education designed to make provision for a class of persons destined at a later age to enter into business life, not perhaps specially prepared for any particular position, but so equipped

as to be able to adapt themselves to the requirements of commercial life generally. It should in the future be a highly developed educational force.

If the matter is looked upon in the true light, there is no doubt that pupils undergoing commercial training do not necessarily lose sight of the importance of culture and the humanities. The basis of commercial education is political economy, and the chief province of political economy is a study of business life. We must concede that in a community such as ours business life is one of the most important factors. It is not generally recognized that commercial practice can be approached from a scientific point of view, and few persons are acquainted with the science of business. A change to another mode of thought is seen in the fact that university education is beginning to sweep into its embrace those persons who are seeking careers in commerce. The American universities have now highly developed faculties of economics and commerce closely allied to each other; and our own modern universities have training specialized to business needs, consisting of an extensive course of instruction designed as a preparation for aspirants to business honours.

In the Universities. A glance at the curriculum of the Faculty of Commerce in the Manchester University will illustrate what is being done. In this faculty, two degrees are awarded:— the degree of Bachelor of Commerce and that of Master of Commerce. All candidates for the degree of B.Com. are required—

(*A*) To have passed the Matriculation Examination of the Manchester University or the Final Examination for a degree in some other University of the United Kingdom;

(*B*) To have attended a course of study approved by the University, extending over at least three years; and

(*C*) To have passed an Examination in the following subjects: (1) Political Economy; (2) Geography; (3) Modern History; (4) a Modern Language; (5) the organization of Industry and Commerce;

(6) Accounting; (7) Commercial Law; and (8) one or more of the following special subjects: (*a*) Certain subjects for the Final Examination for the degree of Bachelor of Science; or (*b*) two subjects chosen from a science of the Intermediate grade, a second modern language, a more advanced stage of the modern language already selected, Currency and Banking; or (*c*) in lieu of one subject under head (*b*), two of the following: Accountancy; Foreign Trade and Foreign Exchanges; Railway Economics and Transport; the Cotton Industry; Insurance; Public Finance; Statistics; a special subject in Law; International Law; a special period in Economic History; a special subject in Geography; Political Science; Law and Custom of the English Constitution; a second special period in Economic History; and a special subject in Economic History.

The Commerce Degrees of the Manchester and Birmingham Universities have been in existence some considerable time. Great progress has not, however, been made so far as the number of those taking advantage of the facilities offered is concerned.

London Degree in Commerce. The London University has provided for a Science Degree in Economics, but, until quite recently, no steps have been taken to institute a purely commercial degree.

A combination of university and business interests, however, has recently been built up, and a course of study arranged for the Degree of Bachelor of Commerce in the London University. Candidates for the degree of Bachelor of Commerce are required to have passed the Matriculation Examination, and to pass two subsequent examinations—the intermediate and final. The requirement of the Matriculation Examination tended to limit the degree to young students passing from the secondary schools, but now the possibility of debarring older men unwilling to take the Matriculation Examination at a stage when they have obtained a practical knowledge of business affairs is removed. A shortened form of Matriculation has been instituted for men with certain professional

qualifications. This examination occupies only one day and so simplifies entrance that the present new degree is likely to prove an incentive to higher educational training amongst adults.

Current regulations may be obtained from the University Registrar, but the following are the details of the scheme in broad outline—

The Intermediate Examination is divided into two parts, which may be taken on the same or different occasions, as follows—

Part I. Economics, Geography and one language.

Part II. Banking, Currency, Trade and Finance, and Accounting or History, and an optional subject, namely, one of the following—

A second approved modern foreign language; Chemistry; Physics; Geology; Botany; Pure Mathematics; Applied Mathematics; History—(*a*) History of Industry and Commerce; (*b*) World History, with special reference to the nineteenth century; English; Commercial Art or Art as applied to an Approved Manufacture.

The Final Examination is divided into two parts, of which the compulsory subjects form Part I, and the optional subjects form Part II. A candidate may take Part I and Part II on the same occasion; or he may take Part I on one occasion and Part II on another occasion.

The compulsory subjects are—

1. *Banking and Finance Group.* (Recommended for candidates for banking, finance, etc.)

2. *Trade A Group.* (Recommended for candidates for Colonial and general trade, and in certain cases for distributing trades.)

3. *Trade B Group.* (Recommended for those engaged in the trade of a definite area (*e.g.* Brazil, India, China, Russia, Scandinavia.)

4. *Industry Group.* (Recommended for candidates in engineering and metal trades, distributing trades (in certain instances), and generally for those engaged in works and factory management.)

5. *General Transport Group.* (Recommended for candidates desiring a wide knowledge of transport and its bearings.)

6. *Shipping Group.* (Recommended for candidates for the shipping trade.)

7. *Inland Transport Group.* (Recommended for railway candidates.)

8. *Public Utilities Group.* (Recommended for candidates in such undertakings as gas, electricity and hydraulic power, water supply and irrigation.)

9. *Commercial Art Group.* (Recommended for certain classes of candidates in the distributing and other trades.)

A Master's degree will be instituted to follow upon the Bachelor's degree; but before the Bachelor is allowed to proceed to the Mastership he will be required to have had a suitable practical commercial experience extending over a period of not less than two years after having taken the B.Com. degree.

Of course, if we are to consider commercial education merely from the side of the University, we are starting at the wrong end, unless we at once concede that commercial education is purely a matter of specialization, and that no attempt should be made to provide instruction in business facts to pupils under University age. We are just beginning to realize that it is time to cast aside the idea that office work must be learned in an office and banking behind the counter of a bank. This will not be fully accomplished until we have definitely decided that we are not entitled to call detached commercial studies " education."

Scope of Commercial Education. Something more is required than the studying of commercial subjects if we are really to educate for commercial life. Half the trouble that a young man in business experiences is due to the fact that he finds a great change on entering a commercial house. A boy going into business should have some elementary notion of the development of industry and commerce, of demand and supply, and the geographical conditions which determine the production of foods and clothing; he should know the principal markets for these, how the commodities come from the market to the wholesale house, from the wholesale

house to the retail house, and how they are distributed to the populace at large; how we pay for them; and the principles underlying credit, banking and exchanges. He should know something of the laws of demand and supply, and the facts that go to determine the worth of a man's labour. All this is commercial education, called by some "Economics." A smattering of book-keeping, a little shorthand, a knowledge of the mechanism of the typewriter and the appropriate finger to use when striking a particular key, is not the end of commercial education. It is exceedingly useful that such practical matters should form part of a commercial syllabus; but any person who has been educated under a *régime* where real commercial education is understood will enter his business life possessed, in addition, of a thorough knowledge of fundamental business principles in their widest sense.

The changes in the attitude of educationists towards commercial education are plainly indicated in the evolution of one subject in the commercial syllabus. Formerly known as "Business Methods" or "Business Routine," it has gradually changed its form and passed under various titles, such as "Office Work and Practice," "Business Training," and, more recently, "Commercial Practice" and "The Theory and Practice of Commerce." As originally taught, this subject consisted of commercial correspondence, the writing of a set form of business letter in very stilted English, and the learning by heart of matter which could easily be referred to in the Postal Guide. It has, however, by a natural sequence of events, become a subject including all the principles underlying the production and distribution of commodities at home and abroad. A higher grade of the subject is generally known as "The Organization of Industry and Commerce," which is Applied Economics. There are still people who do not think that business facts can be approached from a scientific standpoint; but most of the social sciences can be taught in an elementary way, and upon such teaching may be based the practical work of the student's

after life. Though an advanced study is not possible at school, yet what is touched upon and enjoyed there is, in after-life, by no means useless.

Evening Schools and Commercial Education. The growth of commercial education in England has been closely allied with the growth of evening schools. Commencing with voluntary enterprise, it may be roughly said that the mechanics' institutions were the forerunners of our evening school work, although they were avowedly technical in their principles. The old School Boards took up the matter of commercial education in the evening, and their work was continued by the Education Committees founded under the Education Act of 1902; but it is only within recent years that any steps have been taken to introduce commercial work into day schools. For some considerable time no provision was made for schools having a commercial bias; but the present seems to be a time of revolution, and, side by side with the trade schools which are springing up in industrial centres, we find commercial schools, conducted either by the local authority or, more commonly, by private enterprise. A disadvantage of the evening commercial school has been that an interval has been allowed to elapse before students passing from the day school have taken advantage of the evening classes. This disadvantage is eliminated by the erection of day commercial schools. Commercial work may be carried on in day schools of the ordinary secondary type having a commercial bias, or in schools entirely devoted to the commercial aspect of education. Elementary schools should be closely co-ordinated with the work of such secondary schools. No specialization should be allowed in the early stages, but in the final years as much specialization should be allowed as would properly co-ordinate the school work with actual business life. Above all, it would be necessary to see that the proper kind of teacher was appointed. In the past, the work of evening commercial schools has been carried on by business men who have not shown themselves entirely able to cope with this most difficult branch of our

educational system. The gap which often occurs between the elementary school and the continuation school has frequently to be bridged over by men who are practical business men, having little or no knowledge of teaching, except such as is inborn in them or learned in the office or counting-house. The knowledge of human character gathered by contact with other men has been of advantage to them, but it has not altogether made up for the lack of teaching experience. The most desirable qualifications for teachers of commercial subjects are similar to the qualifications desirable in any teacher. They are a practical knowledge of the subject taught, coupled with a knowledge of teaching methods. For the work of teaching in commercial schools, other things being equal, a preference must be given to the practical man of affairs; but, unless other things *are* equal, it is better to employ thoroughly trained and competent teachers even though less technically expert. In a secondary school having a commercial bias or entirely devoted to commercial subjects, the English subjects would not differ greatly from those taught in any other secondary school. Literature must not be neglected, as there is no wide or startling difference between commercial and literary English. The difference chiefly lies in subject-matter and style, simplicity and clearness being as desirable in a letter as in any other English exercise. A good knowledge of literary English and a study of our best writers cannot fail to have a good effect in assisting to produce the standard of education required in a youth who in future is to be engaged in a business house. Languages, mathematics, citizenship, economics (including economic history and geography), would also find their places; whilst book-keeping, shorthand, and the theory and practice of commerce would not be neglected. It has been said that our system of education makes too many under-clerks, but a sound commercial education would remedy this evil instead of exaggerating it, as we should thereby produce more individuals

capable of qualifying for positions much higher in business life.

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SECTION II

MUNICIPALITIES AND COMMERCIAL EDUCATION

A SURVEY of recent educational history shows a surprising neglect of the claims of commerce to be included in a scheme of national education. The prominence given to the industrial side of technical instruction, and the extension of secondary education to the children of artisans, have doubtless been the cause of the ignoring of the demands of the young people who require special training to enable them to deal efficiently with the ever-increasing demands of commercial life.

Many conferences on commercial education have been held, and various schemes of examinations devised, to little effect. Had it not been for private schools, the opportunities for day instruction would have been meagre indeed. Thanks, however, to the policy of several committees, a distinct forward movement has lately appeared, and there is now a keen appreciation of the fact that the progress of this movement will be greatly accelerated by the demands that will be made upon British commercial enterprise in the future.

Many principals of business houses are now ready to acknowledge the value of the commercial training offered to their employees, and are willing to co-operate with the school by insisting that their junior assistants shall attend classes, many employers paying the fees and supervising the progress of the students by requests for reports of attendance and homework.

An enlightened policy has also been manifested by the Board of Education, to whom credit is due for its increased financial support and for the

appointment of two inspectors of commercial education, men who hold decided views and a firm belief in the need for advance in this branch of education.

Work of the Manchester Committee. It is not possible here to describe in detail the operations of the great municipalities in dealing with commercial education; it may be more profitable to outline the history and progress of the work of the Manchester Committee, which may justly claim to be the pioneer in the development of commercial education. Until 1889, little more than elementary classes in shorthand, book-keeping, French, German, and Spanish were held, and these only during the winter months; each teacher was an independent unit, no head master exercising a co-ordinating influence or advising the students, who were left to select a subject as caprice dictated. In that year the Manchester Authority made a decided advance by the organization of an Evening School of Commerce, with a head master who was not only an experienced and successful teacher, but also a professional accountant, familiar with the requirements of the commercial community. Practical and systematic courses of instruction given by business men were substituted for the single subjects taught for the most part by teachers with little knowledge of business affairs. In place of the one lesson a week for a period of twenty-five weeks, which had previously contented students, attendance on two or three evenings during a session—extending from September to July—was arranged. During the first session, 300 students were enrolled, and year after year witnessed the development of the instruction and the extension of the courses.

The Education Act, 1902, granting greater financial help, led to a further advance in the curriculum of the Municipal School of Commerce, which was reorganized into a Lower School, a Higher School, and a School of Languages. The membership increased rapidly, and the accommodation was taxed to such an extent, that the fees had to be advanced and the minimum age raised to 17;

while the Education Committee established in various parts of the city twenty-three branch schools, to provide first and second year courses of study for juniors, preparatory to the more intensive work of the Central Institute. During the session 1912–1913, over 4,000 students were enrolled at the Municipal School of Commerce and 4,500 in the branch schools.

On leaving the school at the age of 14, scholars are granted free admission to one of the branch commercial schools situated in all parts of the city, along with other students who have not taken up educational work until a later age; they are not allowed to study a single subject, but must follow a prescribed course occupying two hours on each of three evenings in the week. Separate courses are planned for shorthand clerks, junior clerks, book-keepers, and shippers' clerks, the last including one language selected from French, German, or Spanish. The courses extend over two years; and at the end of each winter, examinations are held by the Committee, the examiners being members of the staff of the Central School of Commerce. On the results of these examinations, Exhibitions tenable for two years at the School of Commerce are awarded.

Exhibitioners follow a two years' course of a more intensive and liberal character in the Lower School of the Central Institute, after which they are in a position to specialize on one of the following diploma courses—

Accountancy	Foreign Trade and
Secretarial Work	Correspondence
Banking and Economics	Foreign Languages
Municipal Work	Typists' Secretarial
General Commercial	

These diploma courses involve two or three years' progressive study, together with the requisite attendances, homework marks, and examination results (Advanced Grade, Royal Society of Arts and internal examinations). In languages, oral and written tests are required.

The following two courses will serve as examples—

Banking and Economics.

FIFTH YEAR.	SIXTH YEAR.
Arithmetic	Advanced Accounts
Book-keeping	Practical Banking
Theory and Practice of Banking	Commercial Law
Commercial Law	Economics
Economics	Public Finance

Foreign Trade and Correspondence.

FIFTH YEAR.	SIXTH YEAR.
Theory and Practice of Banking	Commercial Law
Commercial Geography	Commercial Geography
Two Foreign Languages	British Markets
	Two Foreign Languages

Should the youth be intended for a professional career, his time in the Lower School is spent in taking the Professional Preliminary Course; after passing this, he enters the Higher School to follow the intermediate course for two years, which leads to the Final Course planned for him. The Professional Courses include Chartered and Incorporated Accountants, Chartered Institute of Secretaries, Institute of Bankers, Institute of Actuaries, Incorporated Law Society, Institute of Municipal Treasurers and Accountants (Incorporated), National Association of Local Government Officers, Chartered Insurance Institute, Faculty of Insurance, Railway Companies' Course, Teachers' Training Classes, and University Matriculation Courses.

The Higher School also makes provision for business men who do not require any of the regular courses. Adult students may attend special lecture courses given by professional and business experts on Accounting, Commerce, Economics, Insurance, Law, and Literature. The following are illustrative: Banking, Costing, Income Tax Practice, British Markets, Advertising, Cotton Trade and Markets, Economics of Commerce and Industry, Public Finance, Social Economics, Marine Insurance,

Bankruptcy Law and Practice, Company Law, Conveyancing, Railway Economics.

In an extensive shipping centre like Manchester, where knowledge of foreign languages is of great importance, ample facilities for their acquisition should be afforded; we, therefore, find in the School of Languages each evening, usually from 6 to 10, carefully graded classes in French, German, and Spanish, and also in Portuguese, Italian, Russian, Danish, Dutch, Modern Greek, Arabic, Japanese, Hindustani, and Swedish. There are highly successful literary and debating societies in each of the first four languages. The minimum age of admission to the Language School is 19, and each student must give evidence of a good knowledge of English, or be relegated to the Lower School to take English along with one language in the Shippers' Course.

Distinctive Features of a Successful School. The distinctive features which have contributed so much to the success of the school are—

1. There is a staff of lecturers and teachers engaged for their special knowledge and experience of the branch of work undertaken by them. Professional accountants, barristers, solicitors, cashiers, correspondents, and secretaries of proved teaching ability are included among the instructors.

2. The work is organized, directed, and supervised by a Principal possessing an intimate knowledge of the requirements of a commercial community, combined with long experience in educational work.

3. The course of study for every student is arranged under the supervision of the Principal.

4. The time-table comprises a duplication of classes, and is arranged to suit the convenience of students with limited time, and of those working late hours.

5. The award of Course Certificates to students who comply with the regulations and complete a two or three years' course in the Lower School.

6. The award of School Diplomas to students on

the successful completion of a two or three years' course in the Higher School. These diplomas carry with them the Associateship of the school.

The main principle in the organization has been to study the requirements of Greater Manchester (students attending from towns within a radius of 30 miles), and to frame practical schemes of instruction given by experts which shall not only attract students to join the courses, but also retain them for lengthy periods by the incentive of the reward of a valuable diploma.

Before the beginning of each session, besides the complete school prospectus, special circulars are forwarded to those likely to be interested (*e.g.* circulars dealing only with the Bankers' Course are posted to the manager of every branch bank in the district, and insurance circulars to every insurance manager, with a request that they may be distributed to the members of his staff. In the case of the Grocers' classes, which extend over a three years' course, a special shop distribution is arranged; and for the Faculty of Insurance course, each Friendly Society official is circularized. Several weeks before the opening of the classes in September, there is a constant procession of intending students, each of whom must interview the Principal and be advised by him in the planning of a suitable course to be entered upon, or continued from the previous session.

The students obtain the all-important factor in achieving success *i.e.* effective, expert teaching. The teachers and lecturers, although not all academically trained, are selected because they are experienced business or professional men interested in their work and in the progress of the students. Further, most of the staff have at one time been students of the school, and so understand its methods and are imbued with the spirit and traditions of an institution to which many of them are indebted for advancement in commercial positions. They, therefore, regard it as a privilege to take some part in its work. The wider influence of such a school may be indicated by the following passage

from the report of the Chairman of the Canadian Royal Commission on Industrial Training and Technical Education, after visiting the school in 1911—

"At the Municipal School of Commerce, what impressed us most was the earnestness of the students and the unmistakable interest and enthusiasm of the instructors. The counting-houses and offices of Manchester must be immensely enriched in the quality of their working staffs through the classes and courses at this Institution. In connection with this, I can say that the Commission has not hitherto found any institution . . . where the courses in the Higher School are so discerningly differentiated to meet the needs of private business interests and those engaged in the public service."

In 1917 a Day Department of the High School of Commerce was established as a post-secondary school for students of both sexes over 16 years of age. The aim of the school is to provide a sound and thorough business training, and to widen the students' outlook upon the operations of Commerce. Although the instruction is necessarily mainly vocational, the claims of Commerce to be studied on liberal educational lines are regarded as essential.

The training includes the cultivation of the important business habits of accuracy, neatness, alertness, and initiative. In addition to the Certificate and Diploma Courses for full-time students, part-time courses are held for selected employees from leading commercial firms and mid-day language classes are held to allow business men and women to study languages in an intensive manner. The Manchester Chamber of Commerce have a scholarship scheme for the school, and the President of the Chamber endorses the diplomas granted at the completion of the two years' full-time courses. An Advisory Committee of the representative business men of Manchester has been formed, the members of which interest themselves in the work of the institution. In little more than two years, the Day Department has achieved a great success; the enrolment for

the session 1920–21 reached a total of 800 students.

The Municipalities of Liverpool, Leeds, Sheffield, and Birmingham have, during the last decade, made considerable advances in commercial evening school work; but, in the main, they have followed the lines laid down by Manchester, and therefore it would be of little use to enter into details.

SECTION III

THEORY AND PRACTICE OF COMMERCE

As a separate subject of study the Theory and Practice of Commerce was only comparatively lately included in the curriculum of the commercial school, although it promises to become an essential subject in any complete commercial course. The term "commerce" may be regarded as embracing the study not only of the internal organization of different types of business undertakings, but also the relation of such undertakings to the outside world. It is used with both a wide and a narrow connotation. Its wider interpretation may be analysed as shown on pages 20 and 21.

It will be seen that the first group of subjects marked A deals with the Theory and Practice of Commerce regarded as a branch of the wider conception of the term commerce. This group may, for convenience of treatment, be sub-divided into at least eight separate topics, the first three of which deal with the broad outlines of the subject, while Nos. 4-8 (inclusive) are intended for more detailed consideration.

The syllabuses in the Theory and Practice of Commerce, as issued by the Royal Society of Arts and the Union of Lancashire and Cheshire Institutes, are based upon a general survey of the leading economic and legal principles that underlie modern commerce, and it is with this general interpretation of the subject that we shall now deal.

Commerce may be said to embrace all those activities which are engaged in the removal of the hindrances to exchange, and in thus facilitating the distribution of goods. In the transfer of commodities from the producer to the consumer there are encountered the threefold hindrances of "persons," "place" and "time."

The Teaching of Commerce. The first step in the teaching of the elements of this subject is to indicate the place occupied by commerce in the economic structure, and its functions in the industrial world. This necessitates a proper understanding of the economic meaning of "production," which may be classified as—

I. Extraction, *e.g.* hunting, agriculture, mining, etc.

II. Manufacture and Construction, *e.g.* engineering, weaving, building, etc.

III. Commerce.

IV. Direct Services, *e.g.* soldiering, teaching, etc.

The student should be given frequent practice in the classification of occupations under these various headings. The relation of commerce to other branches of industry being understood, the next step is to analyse commerce itself.

The nucleus around which the entire commercial system has been developed is Trade, *i.e.* the buying and selling of commodities. Hence this forms a suitable starting point for an analysis of the scope of commerce.

Trade. This may be defined as the purchase and sale of goods with the definite object of re-selling them at a profit. Hence only those persons are regarded as actual traders or merchants whose occupation consists in buying goods in order to sell them at a higher price without any apparent alteration of their form. The economic function of the trader should be clearly grasped.

It may be said to consist in rendering goods accessible to the consumers at the most convenient time and place, and in quantities desired by them. A careful examination will show that the trader is a useful and often indispensable member of the economic organism, for, by his activity, values are not only transferred but are also increased. Through the agency of trade, materials which formerly possessed little or no value are so transformed as to possess greater utility, and are distributed

(*Continued on p. 22.*)

COMMERCE IN THE WIDEST SENSE

A. Theory and Practice of Commerce.

I. General Theory of Commerce.

1. Elements of Commerce
2. Business Organization.
3. Methods of Payment.

II. Specialized Theory of Commerce.

4. The Organization and Conduct of Trade.
5. Banking Organization.
6. Commercial side of a Manufacturing Business.
7. Transport Organization.
8. Special subjects—
   (*a*) Retail trade.
   (*b*) Co-operative, municipal and State enterprise.
   (*c*) Futures.
   (*d*) Import and Export Organization.
   (*e*) Corn trade.
   (*f*) Cotton trade.
   (*g*) Engineering trade.

B. Accounting.

III. Systematic Treatment of Accountancy.

9. Introduction to Double-entry Book-keeping.
10. Theory and Practice of Book-keeping.
11. Special Classes of Accounts—
   (*a*) Manufacturing.
   b) Banking.
   (*c*) Companies.
12. The Reading and Criticism of Balance Sheets.
13. Costing and Statistical Book-keeping.

COMMERCE IN THE WIDEST SENSE

IV. Arithmetic as applied to Commercial Transactions.

14. Introduction to Commercial Arithmetic and Algebra.
15. Calculation of Interest; Discounts and Accounts Current.
16. Commercial Arithmetic, including the calculations in connection with Money and Bills.
17. Mathematics and Insurance.

C. **Auxiliary Subjects to Commerce.**

V. Currency, Banking, Exchange and Credit.

18. The Practice of Banking.
19. The Stock Exchange.
20. The Theory and Practice of Bills of Exchange.
21. International Banking.
22. Banking in the Service of the Trades.
23. Recent Developments and Tendencies in Banking Practice.
24. The Financing of Trade and Manufactures.

VI. Recent Industrial Developments.

25. Special subjects taken from Manufactures, Trades, Transport and Insurance.
26. Advertising.
27. Colonial Questions.
28. Art of Salesmanship.

VII. Allied Subjects.

29. Commercial and Economic History.
30. Commercial and Economic Geography.
31. Commercial Law.
32. Special subjects in Commercial Law.
33. Insurance in General.
34. Special branches in Insurance.
35. Physical and Chemical Technology.
36. Commercial Journalism.

where they are more urgently needed and therefore command higher prices. Thus the trader collects goods from different parts of the earth, and so distributes them with regard to time and place that superfluity and want are minimized and a comparative steadiness of prices is achieved. The trader also seeks out the best sources of supply and the most favourable opportunities of sale; awakes dormant desires, and stimulates further needs; warehouses goods in time of over-production in order that future wants may be supplied, and finally regulates production in accordance with the fluctuations of demand and supply. The services of the trader are useful to producers as well as to consumers.

The trader is responsible to the producers for the sale of raw materials and manufactured goods. To them he renders services which they themselves do not care to undertake, partly in consequence of their inexperience and lack of specialized knowledge, and partly because they fail to control a sufficient amount of capital. Moreover it is impossible for the individual consumer to satisfy his varied needs so advantageously without the intervention of the trader.

Along with the many advantages of trade should be mentioned some of the disadvantages. In the first place the producer does not remain so closely in touch with the wishes and needs of the consumer, and is often too much at the mercy of the trader. Again, traders often charge unreasonably high prices for their goods. Both these factors are in operation, and trade is often carried on by large capitalistic combinations such as "rings," "trusts," etc., which enable the trader to utilize the state of the market to the disadvantage of both producers and consumers. It will, also, be found necessary to deal with these various forms of business undertakings, and to inquire into the reasons for their existence.

In dealing with the home trade it will probably be found advisable to trace out a series of imaginary transactions, such as would take place

between the retailer and the wholesale warehouse, The same plan could also be adopted in dealing with the import and export trade. In this way the students could be led to familiarize themselves with the various credit documents used, and would also be introduced to the various kinds of intermediaries and their methods of dealing.

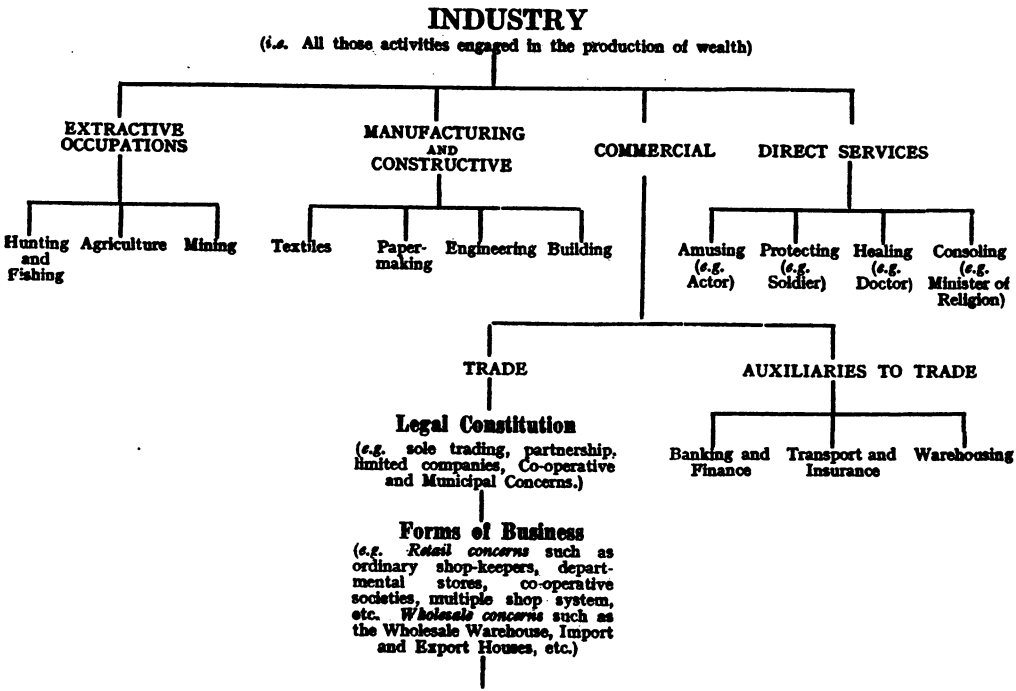
In addition to the study of the general organization of the home and foreign trade, consideration should be taken of markets, fairs and exchanges, docks, exhibitions, the consular service, and Chambers of Commerce.

Banking and Finance should receive a general treatment, beginning with the various methods by which a trader pays his accounts in the home trade, leading on to a description of the banking system, and its relation to the Stock Exchange and the foreign exchanges. At this stage it would also be convenient to deal with the various forms of speculative enterprize, the illustrations being drawn from the stock and produce exchanges.

Transport and Insurance. The function of this branch of commerce is to abolish the hindrance of "place," and so to produce an increased value of the goods. The alteration of the position of the goods thus enables the wants of the consumer to be satisfied. The various modes of transport should be contrasted and compared, and the method of determining the rates charged for freights should be thoroughly understood; since there are always risks of various kinds connected with the transport of goods, the necessity for insurance naturally arises. Marine Insurance should receive the most detailed treatment, whilst other relevant forms of insurance may be dealt with less exhaustively.

Warehousing should be dealt with separately since it is one of the trader's most important auxiliaries. For convenience it may be classified as (1) at the docks, and (2) wholesale. In the latter case, the question of organization arises. The art of buying and selling, the meaning and calculation

(*Continued on p. 26.*)


INDUSTRY
(i.e. All those activities engaged in the production of wealth)
EXTRACTIVE OCCUPATIONS
MANUFACTURING AND CONSTRUCTIVE
COMMERCIAL
DIRECT SERVICES
Hunting and Fishing
Agriculture
Mining
Textiles
Paper-making
Engineering
Building
Amusing (e.g. Actor)
Protecting (e.g. Soldier)
Healing (e.g. Doctor)
Consoling (e.g. Minister of Religion)
TRADE
AUXILIARIES TO TRADE
Legal Constitution
(e.g. sole trading, partnership, limited companies, Co-operative and Municipal Concerns.)
Banking and Finance
Transport and Insurance
Warehousing
Forms of Business
(e.g. Retail concerns such as ordinary shop-keepers, departmental stores, co-operative societies, multiple shop system, etc. Wholesale concerns such as the Wholesale Warehouse, Import and Export Houses, etc.)

Organization of the Office
(*e.g.* the machinery and equipment of the office, the delegation of duties among the staff, the treatment of the incoming and outgoing post.)

Advertising
(*e.g.* a consideration of the various methods of advertising.)

Salesmanship
(*e.g.* the qualities required for good salesmanship contrasted with those required in a good buyer) methods of appeal in selling, etc.

Goodwill
(*e.g.* factors leading to the increase or decrease in the value of goodwill.)

Profits
(*e.g.* the relation of profits to capital invested and to the turnover.)

Termination of Business
(*e.g.* the extension, conversion, and winding up of the business.)

of the turnover, the profits in relation to the turnover, and working expenses, should each be carefully considered. Thus the student should be brought to see clearly the close inter-relationship involved in modern commerce. The trader is dependent upon transport facilities for the carriage of his goods, and hence upon the increase of facilities by land and sea. He is dependent upon the banker for his capital and the financing of his operations; upon insurance to safeguard himself against future contingencies, and finally upon warehousing for the storage of his goods. Such a general sketch may be suitably concluded by an outline of the various trading activities undertaken by the State, and an examination of its attitude in relation to commerce.

SECTION IV

BOOK-KEEPING

In the curriculum of evening and continuation schools, book-keeping occupies a prominent position. No doubt its utilitarian value accounts for much of its popularity; but, when properly taught, it calls into play the student's powers of observation, trains his judgment, develops his imagination, and inculcates habits of order and system.

The Teacher. It is a platitude to say that a teacher must have a knowledge of the subject. By this is meant, not a superficial but a full knowledge, which will enable him to see each phase of the subject in its right perspective. A knowledge of cognate subjects, such as Business Training, Banking, and Commercial Law, is also essential, particularly to a teacher of the advanced stages of the subject. In addition to knowledge of the subject, the teacher should be well acquainted with the general principles of teaching. Unfortunately at the present time, many teachers of book-keeping in evening schools hold their appointment by virtue of their practical knowledge only, and hence many instances are found of persons whose knowledge of the subject is beyond question being more or less unsuccessful as teachers. Education committees have often to choose between candidates who have a good knowledge of teaching principles and meagre practical knowledge, and those who have an extensive practical knowledge but little or none of teaching. It would be very advisable if all prospective teachers were required to give some evidence of being conversant with teaching methods, and in this matter the examining bodies could give a lead by including in their examinations for certificates which are regarded as teaching qualifications, a written or oral test (preferably the latter) in methods of teaching.

Equipment of Classroom. For the teaching of book-keeping, little is required apart from the ordinary school furniture, but it is very essential that there should be plenty of blackboard space. It is almost impossible to demonstrate in book-keeping, if only one of the usual square blackboards is used; at least two such boards are necessary. For instance, suppose the teacher is demonstrating the posting of the Sales Book to the Ledger. If only one board is available, the entries will have to be dealt with separately; or, if all the Sales Book entries are placed on the board, it will then have to be cleaned in order that the Ledger entries may be shown. If, however, two boards are provided, the Sales Book entries may remain on one board, while the Ledger postings can be shown on the other. This method is more satisfactory from the teacher's point of view, and it enables the students to follow and understand the procedure easily.

In order to make the lessons more realistic, some teachers use coloured chalk in cases where red ink would be used in business (*e.g.* for the bringing down of balances; for the insertion of nominal ledger and private ledger balances, etc.). Lantern slides are used with success by a few teachers. The advocates of these aids claim that "for a preliminary lesson this is even better than putting copies of the forms into the students' hands, as the students can view the slides and follow the pointer of the teacher as he indicates the features of the documents, and at the same time listen to the teachers' oral explanation." As, however, the use of these auxiliaries is impracticable for most teachers, their adoption at present is very limited.

The Lesson. In the elementary stages, preparation will consist chiefly in the arranging in a methodical order of the items to be dealt with, and in selecting suitable illustrative examples. It should be remembered that book-keeping is a subject which is learned by doing, and some time should be spent at each class meeting in the working out of exercises. Normally, the lesson should

consist of (1) revision of previous lesson; (2) explanation and illustration of new matter; (3) working exercises; (4) questions and recapitulation; (5) homework. Students should be encouraged to ask questions.

Much discussion has taken place as to the order in which the subject should be taught. Some teachers advocate commencing with the Purchase Book and Sales Book, on the ground that these are the books with which the junior first becomes acquainted in business. Others start with the Cash Book, and argue that this is the book with which students are more or less familiar even before going to business, as many of them have kept a record of their receipts and expenditure of pocket money, or, if at business, have kept the Stamp Book. Others make the Ledger the starting point, on the ground that it is the chief book of account, and its use ought to be known at the outset. In our view, the last is the best method, although perhaps not the easiest. After a few preliminary remarks as to the necessity for keeping books of account, and the meaning of the terms "debtor" and "creditor" (much of which information can be drawn from the class by judicious questioning), it is a good plan to take a few very simple transactions and enter them in Ledger accounts, afterwards drawing up a Trial Balance, Profit and Loss Account, and Balance Sheet. The explanations need be only very simple, and technical terms should be avoided as far as possible. The object of this preliminary survey is to show the pupils the goal at which they are aiming (*i.e.* the preparation of the final accounts).

The above may seem to some teachers very revolutionary, but that it is quite practicable has been repeatedly proved, and can be accomplished in an hour's lesson. It forms a very interesting introduction and gives, as it were, a bird's-eye view of the subject. In the next lesson, attention could be given to the Ledger; and, as a preliminary, it should be pointed out that in every transaction, two accounts are involved. By taking a number

of simple examples and asking the class to name the two accounts affected by each transaction, the teacher will soon find that the pupils understand this point. The teacher can then enter the transactions in appropriate accounts and deduce the rules for debiting and crediting accounts. These rules will then be put in proper form by the teacher and entered in the note-books by the pupils. After the Ledger has been dealt with, the subsidiary books can be introduced and explained. A good deal of controversy has taken place on the question whether the Journal should be used in the early stages of book-keeping. Personally we think it can advantageously be used for two or three lessons mainly for the purposes of explaining the all-important rule of *Dr.* and *Cr.*, and to allow the pupils to gain facility in the posting of the Ledger. If a pupil can journalize correctly, and post quickly and accurately, he has crossed the *pons asinorum* of book-keeping. Another point in favour of the use of the Journal in the early stages is that the pupils can be led to understand that, if each transaction is entered therein in chronological order, it must be followed by a narration explaining what the transaction is. It then requires little effort on his part to grasp the fact that if the Journal is sub-divided, and each subdivision used for a particular kind of transaction, a great saving of time is effected. This paves the way for the introduction of the Purchases Book, Sales Book, and Cash Book, the entering and posting of which need cause little, if any, trouble.

It is suggested that difficulties of Arithmetic should not be included in an exercise until the principle underlying the exercise has been thoroughly mastered; for example, when the student is introduced to the Sales Day Book, the items to be entered therein should be fully worked out so that the pupil has merely to copy. When he is familiar with the principle, the arithmetical calculations, such as the working out of prices, etc., might well be introduced.

The exercises given at this stage should be

concentrated and short, in order that the student can complete one during a lesson of about fifty minutes. Careful attention should also be given to the early revision exercises to see that, as far as possible, they contain all the points previously taught.

If, during the lesson the teacher notices that the pupils have difficulty in grasping any of his explanations, he should note the fact and endeavour, when repeating the lesson, to find an explanation which will be more readily grasped.

In the advanced stages, more preparation will be necessary in the form of notes, and the teacher will find that he will have to spend considerable time in reading in order to keep up-to-date. Intelligent students frequently bring to class difficulties which have occurred in the particular business in which they are engaged; and, although the questions to which they require immediate answers are sometimes unreasonable, the prestige of the teacher and the confidence of the students in him will be greatly enhanced if he is able to help them out of their difficulties. Advanced classes offer plenty of scope for discussion and, although encouraging it, the teacher must be careful not to allow too much time to be taken up in this way, as, if he is preparing his students for examination, he may find that although an interesting evening has been spent, the amount of solid work done has been insufficient.

Correlation. Of late years, attempts have been made to correlate book-keeping with arithmetic and with business training. (The latter is dealt with in the section on BUSINESS TRAINING.) With regard to the fusion of book-keeping with arithmetic, it is claimed that the following advantages accrue: (1) it enables all evening students, even those who do not proceed beyond the preliminary course, to gain some acquaintance with the principles on which accounts are kept, the objects of keeping accounts, and the information to be derived from them when kept; (2) it enables the principles of accounts to be developed out of the consideration of problems strictly within the experience, or within the range of imagination of young people whose practical

acquaintance with the books of a firm is of the slightest; (3) it tends to re-act upon the arithmetic, and to give it a practical and truly vocational character; (4) it economizes time.

In carrying out this scheme, it will probably be found necessary, at the outset, to revise the elementary rules of arithmetic, particularly those relating to proportion and vulgar and decimal fractions. The decimalization of money should then receive attention, and this method of working might be used when dealing with the invoice calculations. At this point, the Purchases and Sales Books could be introduced, and the recording of entries therein explained. Consideration should also be given to the making out of debit notes and credit notes, the calculation of the amounts, and the recording of the entries in the Returns Books. When trade and cash discounts are dealt with, an opportunity occurs to revise the pupils' knowledge of percentages, and problems involving the calculation of net prices from gross prices give useful practice. The discussion of discounts leads to a consideration of methods of payment, and, at this stage, an explanation of the functions of cheques and the use of the Cash Book might be undertaken. The necessity of the Ledger having been shown, this book should now receive attention, and the method of posting from the subsidiary books be demonstrated, after which instruction should be given in the making out of a Trial Balance. The drawing up of the Profit and Loss Account presents the opportunity for dealing with calculations relating to percentages of gross and net profit, the percentage of each item of expense to turnover, etc.; while the introduction of bills of exchange suggests calculations in bankers' discount, present value, interest, etc.

The above is merely suggestive, and is confined to the elementary stage only; but teachers will find that correlation can be carried with advantage to the more advanced stages, provided the time allowed for the lessons permits.

SECTION V

ACCOUNTANCY

A THOROUGH knowledge of accountancy can be acquired only as a result of practical and theoretical training. The best results cannot be attained unless the practical and the theoretical teaching are carried on concurrently, and where, in both cases, the student is under intelligent supervision. If this is the case, both sides of the student's training will benefit materially, for his theoretical training will assist him to understand the practical work upon which he is engaged, and will thus give him a grasp which he cannot otherwise attain; on the other hand, his practical work will be of the greatest assistance in connection with his theoretical training—in fact, it may be said to be all important. Students who have had a theoretical training only are very apt to lose sight of the fact that the periodical accounts of a business should form a true record of the results of concrete business transactions, and that the balance sheet should show, as nearly as possible, the exact state of the affairs of the concern at a given date. They too often appear to look upon the various principles governing the preparation of accounts as academical questions, having little relation to the actual business transactions that have taken place; and it is extremely difficult to remove this false impression until they have handled accounts in actual practice, when they become acquainted with the business transactions which are being recorded in the accounts they are preparing. The best practical training is that which may be obtained in a professional accountant's office, as in this case, in course of time, the student will be engaged in the preparation of the accounts of many different businesses, and thus he has the opportunity of gaining a wide experience and a ripe judgment. However, the accountancy student generally finds in practice that

his seniors cannot afford the time, or are not inclined, to supervise his training and to teach him the theoretical side; for this, therefore, he must turn to some teaching body if his knowledge is to be complete.

In some cases it is impossible for the accountancy student to be actively engaged upon practical work during the time that he is being trained; in such cases, an excellent substitute is the organization of model offices, in which books are kept and accounts prepared as they would be in practice. But, owing to the inevitably fictitious atmosphere, this training cannot successfully take the place of real practical training.

The theoretical training may be divided under three heads—

1. Reading.
2. Attendance at classes and lectures.
3. The working out of test questions.

Reading. The tutor should advise the student as to the best text-books to read, and how to read them; and the works of as many as possible of the best authorities should be covered in order that the student may obtain a broad view of the subject; and, for the same reason, students should be encouraged to read the accountancy press. The full benefit of the reading will be best attained if the student is able to refer to the tutor for explanations and advice upon all the points which he is unable to understand completely.

Classes and Lectures. In this connection it is thought that the most successful method is to organize a series of lectures, carefully covering the necessary ground. Especially with beginners, too much should not be attempted at each lecture, and the lecturer should endeavour to make the subject interesting by giving practical illustrations wherever possible. A good plan is to work out accounts upon a blackboard, but, except in the case of very simple accounts, this course is generally found to be impracticable, in which case printed illustrations may be placed in the hands of the students, these being explained by the lecturer. A certain time

should be allotted at the end of each lecture, during which students should be encouraged to ask questions, as the lecturer is thus enabled to ascertain what are the difficulties in the minds of his listeners, and it is often found that more is taught in a few minutes' informal discussion than in a most carefully thought out lecture. Organized debates are of very great value if they are properly supervised, and if students can be persuaded to take part freely in the debates.

The Working Out of Test Questions. To complete the system of training, students should be set test questions to work out. The answers should be carefully corrected and criticized. A very good plan is to attach to the corrected papers specimen answers, especially in the case of answers involving the preparation of complicated accounts. In the case of answers dealing with questions of principle, references to text-books may be noted by the tutor upon the students' papers. In cases where the cost of printing is a consideration, an efficient and comparatively inexpensive method of providing the question papers and specimen answers is by means of a duplicating machine.

After correction, the papers should be returned to the students, and thereafter dealt with by the tutor in class, when the proper answers should be explained. Here it is that the system of placing a specimen answer before each student is of great value, especially in the case of questions involving a number of complicated figures—for a weak student will become hopelessly lost if the tutor merely reads out a series of figures, but if he has the specimen answer before him, and this is explained to him by the tutor, he is able to follow in a way that is otherwise impossible. Another great advantage of this method is that the students are enabled, at their leisure, to compare carefully their own answers with the specimen ones, and thus digest the various points raised and correct their mistakes. Further, these corrected papers will prove of great value for future reference and revision.

In the writer's experience, the most successful

method of teaching accountancy is to organize a course of instruction, as explained above, consisting of a series of carefully graded lectures, alternated with a series of classes at which the written work of students is dealt with. At both the lectures and the classes, students should be given every opportunity for asking questions. If this latter course is impracticable, then special time should be allotted for debates and informal discussions. In the writer's opinion, this is a matter of very great importance, as students so easily form entirely erroneous ideas as to the principles governing this subject; and it is extremely difficult for the tutor to ascertain these and correct them, unless he has an opportunity of finding out exactly what is in the student's mind. If these informal discussions are carried on in class, the whole class will benefit to a material extent—the difficulty, however, is to persuade backward students to raise in class their points of difficulty, and much, therefore, depends upon the power of the tutor to overcome this natural hesitation.

One of the great difficulties in teaching accountancy is to make the subject interesting and to rivet the attention of the students, and to surmount successfully these difficulties a great deal depends upon the personality of the tutor.

When dealing with the various classes of accounts, the practical position should be explained, and the exact cause and effect of the different methods should be illustrated. For example, in the case of such questions as the provision of depreciation of assets, students often seem to think that this is a mere academical question, with little or no relation to facts. Therefore, the exact effect of writing off depreciation should be traced through the whole life of an asset, and the exact effects of provision and non-provision should be explained. When dealing with the various principles governing the preparation of accounts, students should be taught to think out and imagine all the surrounding circumstances, and it should be impressed upon them that these principles are based entirely upon

the practical requirements of the business world, and are governed by what is known as "common sense."

The system of education adopted by the accountancy profession is based to a considerable extent upon the foregoing principles. For example, the Institute of Chartered Accountants provides that each candidate for membership must be articled for a period of years to a practising member of the Institute, so that he may be given a practical training in his profession. During the years of his apprenticeship, the Students' Societies connected with the Institute organize lectures, debates and classes; and before the examinations, students, as a rule, attend special courses of instruction, during which, in addition to attending lectures, they are set to work out test questions which are corrected and criticized. In this way it is ensured that each member shall have a thorough practical and theoretical training: this training, of course, covering a much wider field than is covered by the term "accountancy."

SECTION VI

BUSINESS TRAINING

THE first consideration is the purpose for which classes in Business Training are held. This purpose is the imparting of such knowledge as will enable the pupils (1) to perform their present duties satisfactorily; (2) to qualify for more responsible positions; (3) to take an intelligent interest in commercial matters. The subject is practical rather than theoretical, and in its various stages necessitates a consideration of the multitudinous matters which are incidental to the conducting of every business.

It is suggested that any one who undertakes Business Training should have gained his experience in the business world. This remark applies more particularly to the advanced sections, though in the elementary stage, also, the teacher with practical experience (other things being equal) will achieve better results than one whose knowledge is theoretical only.

The Pupils. These may be classified into three grades, but the classification might be considerably extended. First come those whose experience of business is either very short or has not commenced. In Grade 2 may be placed those whose business experience extends over a few years, and who are desirous of qualifying for higher posts. It may be assumed that such pupils have some knowledge of the more elementary business practices. Grade 3 consists of those who require information in the higher branches of commerce.

The Subject. The next point to consider is what ought to be taught in the various stages. Unfortunately, the teacher has not always freedom of choice of what he shall teach, his activities being

circumscribed by the requirements of the examinations for which he has to prepare his pupils. The following courses are suggested—

ELEMENTARY CLASS. Indexing, the cross-reference, the vowel index, the card index, etc.; various methods of filing; the keeping of a Postage Book; the copying of letters, and the various processes of duplicating; addressing envelopes of different sizes and the proper way to fold letters; general postal matters; the filling up of bank paying-in slips, debit and credit notes, and similar documents; easy invoicing; writing simple letters; very elementary banking matters; short methods of calculation, particularly with reference to discounts and the working of practice sums; and common commercial terms.

INTERMEDIATE CLASS. Invoicing, both home and foreign trade; writing business letters from notes, and dealing generally with correspondence; making out and explaining account sales, accounts current, statements, contracts, etc., telegraphic work, and the use of codes; elementary banking; general knowledge of carriage and shipping routine; trade routes; up-to-date office appliances, interest calculations, etc.

ADVANCED CLASS. Advanced correspondence, drawing up reports, secretarial work; banking, including the use of bills of exchange, drawing of bills against shipments, discounting of bills, the hypothecation of shipping documents and financing generally; telegraphic codes and their compilation; consular invoices; Customs declarations; insurance (fire and marine); up-to-date office appliances; bankruptcy; graphic statistics, etc. This course could be extended to any length.

The Lesson. In dealing with the elementary class, the limited experience of the pupils must ever be kept in mind; consequently, technical language must be used sparingly, each point being explained in the simplest language possible. One of the first difficulties experienced will probably be the lack of apparatus. It is much easier to *show* how a thing is done than to *tell* how it is done, and pupils

understand much more readily if demonstrations are given. In many cases, however, no apparatus is provided; and we venture to suggest that education committees might, without being guilty of undue extravagance, provide commercial schools with some of the necessary appliances for demonstration. In the absence of such equipment, the teacher is left to his own resources and, if he is enthusiastic, the deficiency can generally be made up. As regards postal matters, it seems to be a waste of time to insist on the pupils' learning by rote the rates of postage, minimum and maximum lengths allowed for parcels, and such like matters. A better plan is to ask each member of the class to purchase the postal guide issued by the postal authorities. The teacher can then show the pupils how to make use of this book; *i.e.* show them where to find the information on different topics, explain anything that is obscure, and test their ability by asking questions on the matters contained therein. By using the book in the manner indicated, they are familiarizing themselves with a book which is used in every commercial office, they acquire without effort a knowledge of the more common facts, and they know where to look for the information which is less frequently required.

In teaching the correct way to address envelopes, to fill in paying-in slips, to make out debit and credit notes, etc., the teacher should provide the pupils with the actual forms and allow them to fill in these forms following the specimen shown on the blackboard. If this is impracticable, the teacher ought to be provided with a few specimens of each form, correctly filled in, and these should be handed round for inspection. In supervising the work of the class, the teacher should notice the spelling and punctuation, and should lose no opportunity of giving the class a little drill in spelling. Where it can be arranged, some time should be devoted to short methods of calculation. The remarks about specimen documents apply with greater force to the intermediate and advanced

classes. It is a mistake for the teacher to define the use of a document without first explaining the circumstances which necessitate its use, and showing at least one copy.

In the intermediate stage, the course can be arranged in an interesting manner on the following lines; as soon as convenient after the beginning of the session (during which time revision of work previously done can be proceeded with) the teacher introduces a few typical orders, presumably received from customers at home and abroad. Using these as a basis, he can go through all the procedure necessary to the time the goods are paid for. This will include the recording of the particulars of the orders, the sending of purchase and sale notes to suppliers and customers respectively, the correspondence relating to the goods, as well as the correct methods of keeping the correspondence. Then would follow matters relating to the receiving of the goods and payment for them; the despatching of the packages by rail and by steamer, with the routine connected with this procedure; the sending of telegrams, both inland and foreign; dealing with claims; and the obtaining of payment for the goods. The adoption of such a scheme brings under notice all the general matters connected with a merchant's business: they are considered in proper sequence, all the documents are introduced at the right time and it is a practical way of dealing with the subject. Another method is to divide the class into two sections, one section representing buyers and the other section representing sellers. Transactions take place between the two sections (under the supervision of the teacher) in a similar manner to that which obtains in actual business. The successful working of this scheme depends on the ability of the teacher to organize his class efficiently, and also on the regular attendance of the pupils.

Class Management. Friendly relations with the class having been established, the next consideration is how to present the lesson in an interesting manner. As a machine runs easier after it has

been in motion for a short time, so the minds of the pupils are in a better state for receiving new information after they have been exercised for a little while. This leads to the suggestion that the first few minutes of each lesson should be devoted to revision, which can be accomplished either by a review of past lessons or by judicious questioning, preferably the latter method. The teacher should then, by a gradual transition, lead up to the new matter which is to form the subject of the lesson. This is particularly easy in a business training class, because the subjects dovetail into one another so easily. It may be mentioned that the matters should be dealt with in the order in which they occur in practice, so that the relationship of the various items may be shown. Another point to remember is never to teach too much in one lesson and never to explain a new procedure without first showing the necessity for it. As the lesson proceeds, some of the pupils will probably begin to show signs of restlessness. This is a signal to the teacher to alter his methods. A few questions judiciously distributed may soon put this right and allow the teacher to resume. It may be, however, that the cause of the unrest is that the teacher is talking too much. Some teachers seem to think that in giving a lesson, they must do all the talking. This is a mistake, and such teachers would probably obtain better results if they allowed the pupils to do a little of the talking. From what has been stated, it seems that a judicious mixture of statement, illustration, and questioning is necessary, the discretion of the teacher determining the right amount of each to use. The questions referred to may be answered orally or in writing, the latter method being preferable if time permits. The writing of the answer adds variety to the lesson and impresses the matter more firmly on the minds of the pupils than in the case of oral answers. The duration of the lesson should allow the teacher sufficient time for recapitulation, the chief points being briefly reviewed.

Correlation with Book-keeping. In some classes,

the teaching of Business Training is correlated with Book-keeping. The idea is undoubtedly a good one, provided the time allowed for the class is sufficient. It enables the teacher to carry a transaction to its destination instead of having to break off as soon as the use of the financial books is involved. For instance, in dealing with purchases and sales, the teacher, after explaining the procedure and documents used in these transactions, would introduce the Purchases Book and Sales Book, explain the object of these books, and illustrate the method of entry therein. This would be followed by the posting of these entries to the Ledger accounts, and the opportunity would be taken to give the students some general ideas of personal accounts and purchases and sales accounts, and of their use in giving information regarding the financial position of buyer and seller. Similarly, after the various forms of remittances have been considered, the Cash Book would be explained and entries made involving discounts, the receipt and payment of accounts by cash and through the bank. The making out of debit notes and credit notes opens the way for an explanation of the Returns Book and the posting of the entries to the Ledger. By the time the student has passed through the first-year course, he has acquired a knowledge of book-keeping sufficient to enable him to deal with a series of simple transactions requiring the use of personal, nominal, and capital accounts, from which a Profit and Loss Account and Balance Sheet can be prepared. The foregoing remarks are applicable chiefly to the junior classes.

The lesson in the advanced classes generally takes more the form of a lecture, and all the teacher has to do is to present the lesson in as interesting a manner as possible, making free use of any documents that may be mentioned and illustrating his points with practical examples. Above all, he must be correct in his information, as, in these advanced classes, each member is something of an expert in one branch or another; and if the teacher makes a statement which is not in accord with

practice, he is immediately challenged. Considerable discussion should be allowed. As a final word, it may be said that the teacher of advanced classes should be a diligent reader of the commercial and financial Press in order that he may keep in touch with the changes and improvements which are constantly taking place in these go-ahead times.

SECTION VII

BUSINESS CORRESPONDENCE

THE writing of business letters is merely an application of the art of composition, and, in the elementary stages at least, it should be part of a course in "English."

Most of what the teacher of English says about sentence formation, sequence of tenses, concord, vocabulary, punctuation, etc., applies to the writing of business letters; but in this work a special atmosphere has to be created. Reference must be made to great commercial operations. Business bargains, involving immense sums of money must be spoken of; and the fact that many of these are made in writing, and that most of those made verbally on 'Change or elsewhere are confirmed in writing, must be effectively stated. Reference to the Sale of Goods Act must be made, because an important alternative in the important Section 4 states that a contract is not enforceable by action "unless some note or memorandum in writing of the contract be made and signed by the party to be charged or his agent in that behalf."

Business bargains are made, confirmed, and evidenced in business letters. In commerce, time is very precious; therefore, whatever instruction has been given about style, there must now be special insistence upon the points that business letters should be correct in statement, clear in meaning, concise in form, and courteous in expression. The teacher may venture a few illustrations of violations of these fundamentals, such being taken from the students' work.

The form of letters and the consistency of the complimentary terms should be dealt with early, paragraphing and punctuation receiving special notice. A simple transaction of a typical local industry should be taken, the correspondence

starting with a request for particulars of specified goods or a price list, and the above formal points be taught by means of it. A real price list, or real particulars of goods, should be obtained by the teacher, who should put the first letter on the blackboard. Students should afterwards write similar letters. Various styles of reply may then be discussed—from the formal letter having the *cliché* "Trusting to be favoured," etc., to the smart letter calling attention to some special commodity, offering special inducements, etc. Students should now attempt suitable replies to the original request, and continue the correspondence until the transaction is completed. Other transactions should introduce bargaining, complaints, debit and credit notes, bills of exchange, etc., short lectures on the various forms being given and due regard being paid to progression. The teacher should always carry his main transactions through from beginning to end. He should give illustrations of flexibility in phrasing, and encourage his pupils to get away from the stereotyped, especially in letters soliciting business, where there is ample scope for effective appeal.

Small classes may be divided into two sections, which conduct operations as two firms, enclosing letters in envelopes and despatching them by special "postmen."

References—

KIRTON, C. H. *The Principles and Practice of Continuation Teaching.*
SHAWCROSS, W. *How to Teach Commercial English.*

SECTION VIII

SHORTHAND (PITMAN'S)

PITMAN'S Shorthand, or Phonography as it was called when it was first published, and as it is still most generally known, is a method of rapid writing, invented by Sir Isaac Pitman in 1837, and now in general use throughout the English-speaking world. Pitman's shorthand is both a science and an art or craft. The system has very considerable educational value, since it brings into constant exercise the analytical powers of the practitioner and calls for his close concentration upon the subject matter of which he is taking notes. The practice of the art of shorthand undoubtedly and necessarily increases the vocabulary of the writer, and it is interesting to note (at least as shown in the experience of the present writer) that the shorthand writer is always conscious of the fact when he writes a word in shorthand for the first time. The mastery of Pitman's shorthand can easily be co-ordinated with the study of English, and with great advantage to both subjects.

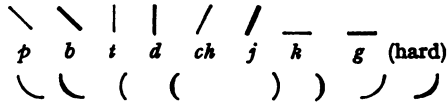
As to its utilitarian value it is sufficient to say that practically the whole of the business correspondence of the world is in the first instance dictated to shorthand writers, and afterwards transcribed from notes into typescript or into ordinary longhand writing. Pitman's shorthand is also in universal use by professional reporters in the Law Courts, the Houses of Parliament, and elsewhere. There are, besides, thousands of professional men and women who find a knowledge of the system of immense service as a time-saver and as a means of taking very full notes of matters that would otherwise have to be memorized or noted but briefly.

Theory of the System. Pitman's shorthand can be successfully taught to students of either sex, and at any stage in their general education.

The theory of the system is not difficult to understand and the subject may be made extremely attractive. Indeed, to many students it becomes fascinating, by reason of its original arrangement and the beautiful forms assumed by the words when written in the Pitmanic characters.

The system is phonetic, as is indicated by its name, *Phonography* or *sound-writing*. For the representation of the consonants the system provides separate characters consisting (with the exception of *w*, *y* and the aspirate *h*) of the simplest geometrical forms, viz., the straight line and the shallow curve as shown in the following diagrams—

The order of the arrangement of each group of consonants follows the order of the oral movements from the lips inwards in the utterance of their respective sounds. The first pair of consonants *p*, *b*, are pronounced between the lips and the next seven pairs at the several natural barriers further back in the mouth. Paired consonants like *p* and *b*, *t* and *d*, *ch* and *j*, *k* and *g* (hard) are represented by paired signs, a light sign for the light sound and a heavier sign for the heavy sound. Thus—



The nasals *m*, *n*, *ng* are represented by the signs respectively; the liquids *l* and *r* by respectively: the coalescents *w* and *y* by and ; and the aspirate by the upstroke or the downstroke

The whole of the consonant signs may be easily

learnt in a lesson of thirty minutes or less. The vowels are represented by dots and short dashes, detached from the consonant signs, and there are distinct signs provided for the diphthongs. Abbreviating devices are included in the system for the rapid expression of certain prefixes and word endings and for commonly occurring grouped consonants, such as *strs* in words like *gamesters, registers,* etc. The system is famous for its wonderful phraseographic power, that is, the power of writing several words together without lifting the pen or pencil from the paper. The speed of the writer is very materially increased by means of this great feature of the system.

Its Effect on the Study of English. It is true to say that the acquisition of Pitman's shorthand assists the learner to appreciate more fully the niceties of English and to obtain a more precise articulation and pronunciation of the words he uses, so that progress in the system is generally accompanied by an advance in his knowledge of the language and a materially increased vocabulary. It is, of course, desirable that the teacher's efforts should be directed towards giving the learner opportunities of realizing the practical benefits that should result from his knowledge of the system, and to this end the teacher should introduce sentence writing and slow dictation from a very early stage in the course. A simple explanation of the ingenious "halving principle" for the indication of the sounds of *t* or *d* might follow immediately after the mastery of the vowels and diphthongs. This will enable the learner to write very many more words and more widely varied passages from dictation. Similarly there should be an early explanation, and thereafter a regular employment, of simple phraseography in the matter taken for practice in writing from dictation. Varied throughout the course in this way the lessons may be made bright and instructive at every stage, and the interest of the learner maintained, so that he may master the rules while he is acquiring facility in their instantaneous application.

Definition of the rule, explanation of its application, and copious illustration followed by written exercises on the part of the student, should be the order of procedure for every lesson. The resourceful teacher will find it easy to combine with his explanation of the rules of the system a good deal of instruction in English. Thus, the prefixes and suffixes in everyday use in the language should be explained in the lesson which deals with the shorthand representation of these, and in every lesson throughout the course it will be at once interesting and instructive to bring in some point in connection with the language which seems suitable at the time. Word-building may be practised to an almost unlimited extent and with great advantage to the learner. There should be regular and systematic practice in the reading of shorthand, either from the learner's own exercise book or from a book or periodical printed in shorthand characters. There is in these days a plentiful supply of suitable shorthand literature for this purpose, and it will be found that the reading practice reacts upon and improves the learner's written work.

Examinations. Certificates of proficiency in Pitman's shorthand are issued by the publishers of the system and by various educational bodies. Teachers' certificates are obtainable by examination in the theory and practice of the system, and the examination for these certificates includes also a test of the candidates' teaching ability.

SECTION IX

TYPEWRITING

ALTHOUGH there may be no lack either of instruction books or of instructors, yet it is a little difficult to arrive at a correct decision on the merits of two or more systems of teaching the same subject, particularly when each is backed by able exponents. In the case of typewriting, we are confronted with the "visual" as against the "non-visual" principle, and the "double" keyboard as against the "single."

The Touch System. Now at first sight it might appear as if it must be quicker to manipulate the keys with our eyes fixed upon them; but quite apart from the fact that the sense of thought is generally admitted to be quicker than that of sight, there is the fact that we do not possess two pairs of eyes, and therefore cannot spare one pair for the keys and keep the other for the copy. Consequently, common sense says: Allot the keys to the fingers and the copy to the eyes, as although the fingers can be trained to manipulate the keys, they cannot be trained to read the copy!

Hence the non-visual operators can divide the work of reading and manipulating by a clear line, saying in effect to the one servant, "decipher," and to the other, "manipulate"; whereas visual operators must say to the one, "Decipher and locate," and to the other, "Manipulate, *when your fellow-servant has located the keys for you.*"

Obviously, while No. 1 is assisting No. 2 to locate, the work of No. 1 is in abeyance; and when No. 1 resumes the work of reading, No. 2 stops manipulating. No. 2, therefore, works with alternate rests (*e.g.* work, rest; work, rest; *ad infinitum*). Looked at thus, we shall readily appreciate the enormous advantage the non-visual operators must

have over the visual. This non-visual method is more commonly called the *touch* system.

Keyboards. Upon the question of keyboards we venture to think no hard and fast rule can be laid down, as so much depends on the mental faculties of the student; some operators can readily visualize a large keyboard, and to these the double keyboard will doubtless appeal. Again, others find extreme difficulty in picturing a large keyboard, and they naturally welcome the boon of a small keyboard, even with its attendant shift-key. The question of a single or double keyboard must, therefore, be solved by each individual operator.

Assuming that we are going to teach typewriting by the touch system, and that we intend to allow our pupils to select the machines best suited to their individual capacities, the question at once arises: What is the best and most successful method of studying this principle?

Now the first question we are confronted with is: Shall we teach with typewriters which have blank keys or with keys covered with a shield, or shall we trust the student not to look at the keys? Here, again, the answer depends largely upon individual circumstances. If a person of *strong will-power* sets himself to learn touch typewriting, it matters little whether the keys are visible or not, because he will keep his eyes fixed upon the fingering exercises. In schools, however, there are many students who *will* look at the keyboard, unless they are continaully watched. Consequently, it is a great help to the teacher to have machines fitted with shields.

Method of Teaching. Assuming, then, that we have no intention of allowing our pupils to locate the keys by looking for them, we must first teach them to form a mental picture of the keyboard, just as they visualize a picture of some exquisite piece of scenery (say) seen during their summer holidays. We must make it *real* to them. We must not, however, ask them to learn the whole of the keyboard at once, but rather in sections, thus: (*a*) Left-hand section; (*b*) right-hand section; (*c*) middle

section; and even when dealing with the keyboard in sections, it is not wise at first to trouble the students with the miscellaneous signs. Get them to think of the section under review, not only when they are actually typing, but also in the house and in the street; to keep on picturing it until it becomes permanent.

Our next step will be to teach them to allocate certain keys to each finger, and this can, perhaps, be best done by calling their attention to the diagrams in the text-book, or by drawing the diagram of the keyboard on page 55.

Point out to the pupils the necessity for keeping the two little fingers over their respective *guide* keys, and using them as feeling points or guides for the others.

This done, the student must be encouraged to work assiduously on graduated exercises, as intermittent work is of little avail. It should be pointed out to them that if they are out for *touch*, they are in for work, and hard work, too, in the initial stages. The majority will have to repress the desire to remove the shield and to look at their fingers until they have trained them to be subservient to their will-power, when they will find that the fingers will glide from key to key without any conscious effort. But although this stage will *most assuredly* follow persistent and well-directed effort, yet it will be reached only by those of stern determination and those who can obtain almost unlimited practice.

And this brings us to the style of fingering exercises to be employed. It is not advisable to give long words to begin with, but words of two or three letters, which the students will be able to type *correctly*, and thus derive encouragement. These words should be first on one outer section and then on the other; and when these have been *thoroughly mastered*, then the first finger should be trained in a similar manner to manipulate the middle section, the fact being explained to the students that the first finger of the right and left hand must be stretched out slightly in order to

manipulate the keys in the two centre rows, while the hands retain their normal position with the two little fingers over their respective guide-keys.

Again, it will be necessary to emphasize that the fingers must be spread out over the keyboard, as many beginners have a tendency to close the fingers. Attention must also be drawn to the fact that the space-bar is operated by a simple downward movement of either the right or left thumb. On no account must the first fingers be allowed to travel down to the space-bar, as they already have a *double* row of keys allotted to them.

Impression and Depression. Pass now to the all-important question of a uniform impression *i.e.* the amount of force to be applied in depressing the keys. Now a uniform depression does not mean a uniform impression; in fact, quite the reverse. The keys which carry letters composed of a *single stem*, or which bear the punctuation marks, require a much lighter tap than those which bear more complex characters (*e.g.* *M*, *m*, *W*, *w*, *g*, etc.). In every case, however, the tap should be a staccato one, but the quality of the touch must vary with the different keys; and it is as well to train the beginner to watch the impression carefully by examining both sides of the paper to ascertain whether too much force is being applied to some keys, or too little to others. We strongly recommend the working of all fingering exercises on *thin* paper, so as to develop a light touch, but then the typewriter must be safeguarded by using a stout backing sheet.

Now, as fingering or groundwork plays such an important part in the study of typewriting, it should be taught by those qualified to lay a good foundation; afterwards the students' course can be shaped in accordance with their known requirements, viz., commercial, literary, legal, or secretarial. If, however, it is uncertain for what work a student is destined, then both speed and an all-round general knowledge may be acquired by working exercises dealing with each phase in turn —first from reliable models and afterwards from

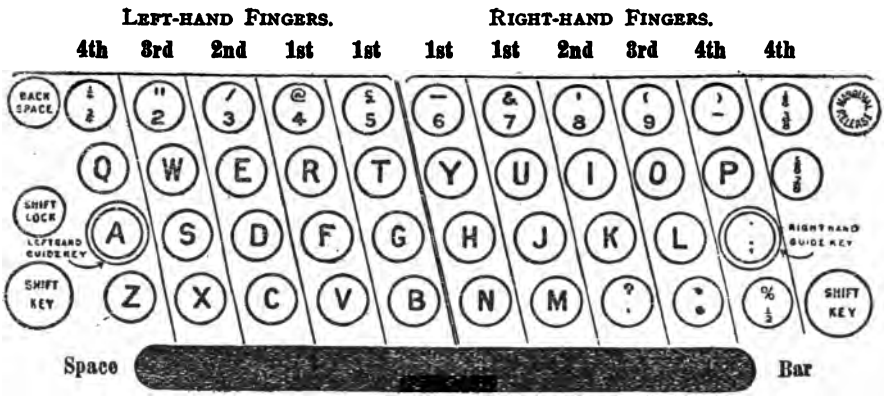


DIAGRAM OF TYPEWRITER KEYBOARD

MSS.—not forgetting the all-important work of a liberal amount of transcription from the pupil's own shorthand notes.

In conclusion, it is important to impress on the students that every point counts as a factor either for or against success, and that they cannot afford to ignore even the smallest detail.

SECTION X

COMMERCIAL ENGLISH

THE expression Commercial English is not strictly accurate. It seems to imply that English is of various kinds, whereas the only English recognized is correct English. It is, of course, true that the English language may be used for various purposes; but it must always conform to certain principles and rules of correctness, whether used by the inspired poet or by the writer of a directors' report. We may say that Commercial English is correct English applied to commercial purposes, and, consequently, possesses certain characteristics of style in a marked degree. It is in no sense inferior English. Students of Commercial English are studying the language for utilitarian purposes, and the teacher must make his lessons as valuable as possible from the practical point of view. By following intelligent methods, however, without losing sight of the main point, he may make the subject a means of intellectual development and, therefore, of real educational value. The following hints and suggestions have been drawn up with both these ends in view.

The subject may be divided into two main sections, the first dealing with principles and rules, and including Grammar, Diction, Style, and Construction; and the second dealing with practical applications, including Business Correspondence, Reports, and Précis-writing. In an elementary course, it will probably be found necessary also to include some instruction and practice in spelling.

The Teaching of Grammar. As a rule, commercial students are disinclined to take grammar lessons seriously. They look upon grammar as purely theoretical, not grasping its practical importance. They wish to get on with the work. Much of the matter in a complete grammar is, certainly, of importance only to the philologist; the commercial student should not be burdened with it. The

teacher of Commercial English should not spend time on any rules of grammar not bearing directly upon correct composition. He should select from the text-book the "Essentials of Grammar" and devote his attention to these alone. Whenever a rule of grammar is given, it should be immediately followed by illustrative sentences showing both the observance and the breach of the rule, the sentences being such as may occur in ordinary business documents. If the lessons are taken on these lines, students will soon find that grammar is both practical and interesting.

Conciseness of expression is an essential of good Commercial English, and a copious vocabulary is a powerful aid. The more words the writer has at his command, the less likely is he to be diffuse. He is able to pick out the happy word which most clearly expresses his meaning. Regular lessons on the meaning and use of words will assist the student in building up a good vocabulary, and enable him to express himself with precision. By ensuring that the lessons are sufficiently varied, the teacher can make this part of the instruction very interesting. The discovery of shades of difference between the meanings of apparent synonyms, the choice of the most suitable from among several given words, the distinction between words derived from the same root (*e.g. defective* and *deficient; official* and *officious*) are exercises not only of great practical value, but of extreme interest also.

All students should be encouraged to study the standard models of English style; but the teacher should carefully point out that the only important elements of style in good Commercial English are clearness, simplicity, and brevity. Mere ornament is to be avoided. Clearness of meaning depends mainly upon correct order of words and right construction of sentences. Elementary instruction in the analysis of sentences will lead the student to see the inter-dependence of the various clauses of complex and compound sentences, and will teach him to arrange them in his compositions so as to have no ambiguity of meaning. Only such

sentences as are likely to occur or, better still, as have actually been used in commercial documents, need be taken. Very few definite rules for the arrangement of words, phrases, and clauses can be given. The best method of teaching is to take numerous examples of good and bad order and to compare and contrast them. There are three rules which should be carefully explained and deeply impressed—

1. Qualifying words and phrases must be placed close to the words they qualify.

2. Relative pronouns must be placed near to their antecedents. (This is included in No. 1, but its importance makes a separate rule advisable.)

3. Subordinate clauses should not be gathered into a group at the end of a complex sentence. They should be brought as near as possible to the beginning.

Ambiguity of meaning frequently arises from careless use of pronouns, and this should receive special attention. Simplicity and brevity are obtained by careful selection of words, and by the avoidance of long, involved sentences and the various forms of redundancy. These last will need careful treatment, as they constantly occur in students' compositions. A judicious selection of examples should be made to serve for practice in the detection and removal of tautology, pleonasm, circumlocution, etc. Such exercises will both improve the student's own business composition and provide a necessary introduction to précis-writing.

Practical Applications. This completes our brief sketch of preliminary principles and rules; we now proceed to consider the practical departments of our subject. Although it has been necessary here to observe this order of treatment, there must be no water-tight compartments in actual teaching. Instruction in theory and actual practice in the writing of letters, précis, and reports must go on side by side. The teacher should not exhaust one department of his subject before proceeding with the next; theory and practice should advance by equal steps.

Business Correspondence is the most important of the practical sections and, as such, must take a prominent place in the course. The teacher of Commercial English is not expected to give lessons in Business Training; and although he should widely vary his examples of letters, he should direct his attention almost entirely to the language —to the manner more than to the matter. To make the correspondence as useful as possible from the practical standpoint, it is well to take a series of letters dealing with a single commercial transaction. The following is an outline of an effective method of dealing with correspondence in a commercial English class—

1. Announce the subject (*e.g.* "A request for confidential information respecting the probity of a business firm").

2. Give orally a summary of the main points.

3. Allow the class a given number of minutes for writing the letter.

4. Select a small number of letters, read them aloud to the class, and note any errors in the English.

5. Correct the errors or give them as exercises to be corrected by the pupils.

6. Dictate a model letter which should have been carefully prepared beforehand. The groups of letters upon separate topics provide useful material for exercises in précis.

In dealing with the drawing up of Reports, the teacher will be obliged to give some instruction in the technicalities of the various kinds of reports. These are not strictly a part of English, and belong more to general business training; but the form of a report and the method of drawing it up are almost as important as the actual language used. The same general method of teaching as that outlined for correspondence will do for reports. If that be followed, the students will find that the drafting of a report presents no special difficulties.

Précis-writing has become one of the most important, as it is one of the most difficult departments of Commercial English. In this section more than in any other, the success of the teacher's

efforts depends upon the natural ability of his pupils. By a carefully graduated scheme of lessons, however, methods may be indicated which, if followed out, will always produce a précis of at least fair merit. Before any attempt is made at a précis of any difficulty, a series of lessons and exercises based upon the following should be taken.

1. Vocabulary: The substitution of single words for long phrases.

2. The reduction of the subordinate clauses of complex sentences to their equivalent adjectives, adverbs, and nouns.

3. The removal of ornament by the reduction of figures of speech to plain matter of fact.

4. The removal of all forms of redundancy.

5. The turning of passages in "Direct Speech" (*Oratio recta*) into corresponding passages in "Indirect Speech" (*Oratio obliqua*).

The success of the student who has worked through this course will depend upon his own acumen, assisted by the experience of the teacher. Regular home-work exercises are essential, as exercises of useful length cannot be completed in class owing to lack of time. The students' worked exercises should be carefully marked, and the corrected papers returned accompanied by model answers. The columns of the daily papers furnish the best material for exercises in advanced précis.

Reference—

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SECTION VI

COMMERCIAL GEOGRAPHY

COMMERCIAL, Economic, or Applied Geography is concerned with the discovery, production, transport, and exchange of commodities, and the influence thereon exercised by local conditions and place relations. This may be epitomized as follows—

Discovery: New geographical sources of profit, *e.g.* the opening out of a new way to India by Vasco da Gama at the end of the fifteenth century, resulted immediately in cargoes of pepper and other spices from the Malabar Coast reaping a profit of 6,000 per cent.

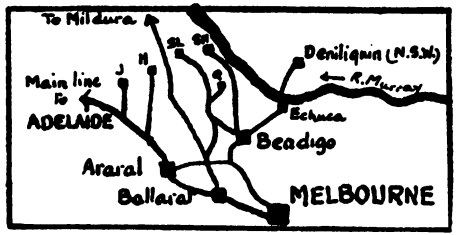
Production: The whole world of "raw material"—animal, vegetable, and mineral, *e.g.* wool from the back of the sheep to that of the man.

Transport: The collecting, handling, and delivery of goods, *e.g.* the great tow barges for mineral traffic on the Ohio and Mississippi. Tows will come from Pittsburg with coal cargoes of anything from 10,000 to 40,000 tons. There is an instance even of 70,000 tons!

Exchange: Influences, whether natural or artificial, making for easy exchange, *e.g.* the obviously natural transit character of Dutch commerce, or the general question of currencies —the instruments of exchange.

American geographers explain the scope of economic geography as the localization of industries which is subject to three controls: (1) Natural or physical environment, *e.g.* the growth of towns near mineral deposits; (2) human, or characteristics of man, *e.g.* change of conditions brought about by railways [wheat routes of N.W. Victoria (as in Fig. 1); trans-Siberian railway]; (3) economic or social forces, *e.g.* quality or type of Government, such as one finds in the backwardness of all development under the rule of the Ottoman Empire.

The Value of Economic Geography. It follows, then, that the main object of Economic Geography is to emphasize causes and consequences—geographical causes and commercial consequences. Therein lies the *educative* value of the subject. One may work forward from cause to consequence, or backward from consequence to cause, with equal advantage. Fig. 2 shows that part of Africa which lies within the Tropics, and has, roughly, an average temperature of about 80° F. (*i.e.* about 66 per cent. of the whole Continent). Fig. 3 expresses this fact in terms of Economic Geography. The 66 per cent.



Scale. 200 miles direct from Melbourne to Salt Lake.
Termini. Jeparit, Hopetown, Salt Lake, Quambatook Swan Hill.

FIG. 1.
The N.W. Railways of Victoria, which have converted barren lands into wheat fields.

is responsible for but 30 per cent. of the total trade. At the beginning of this century, the percentage was much lower (about 10); but the development of Rhodesia, British East Africa, British West Africa, and the Anglo-Egyptian Sudan has improved the figures. This is working from cause to consequence. The converse is just as effective. The subject has an *utilitarian* value, too. An effective study of Economic Geography opens out new possibilities of production, which may—who knows ?—pave the way to a fortune, and will at least enable its votary to guard against such mistakes as

the export of lace-up boots to Persia, where everyone wears footgear easily adaptable to the social custom of removing shoes on entering a house.

The Teaching of Economic Geography. Premising that there is no royal road to the teaching of the subject other than is compassed by any of the best methods of teaching ordinary geography intelligently (*i.e.* ratiocinatively), nevertheless it may be not

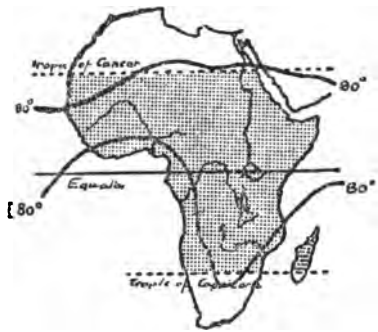


FIG. 2.
Inter-tropical Africa, with annual isotherm, 80° *F.*

without advantage to point out certain lines which experience has shown to be worth following, and certain errors which it is as well to avoid.

To begin with, isolated facts are to be tabooed: each is to be demonstrated in relation to other facts by way of either cause or consequence. The location of a mountain pass with its height in feet above sea-level, or, better, above the surrounding plains, is interesting, but useless by itself. It opens up the questions: "Why is the pass useful?" "What trade, or trades, does it serve?" "What would these trades do if it were non-existent?" "What rival passes does it contend with?" and so on. Such teaching may obviously begin anywhere in the

school. The preparatory form is learning Economic Geography when it connects a cup of tea with the Island of Ceylon: it strikes the *human* note, which is essential in every kind of geography teaching. However, as a subject pure and simple, it is perhaps better left until the higher middle and upper forms of a school are reached; it is *par excellence* the geography for technical and evening classes. With regard to the instruments of teaching—the usual appendages of the geography class-room are all-sufficient, viz., globe and wall maps, blackboard, lantern-slides, pictures, samples, and—most important—the learner's note-books.

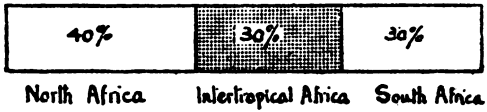
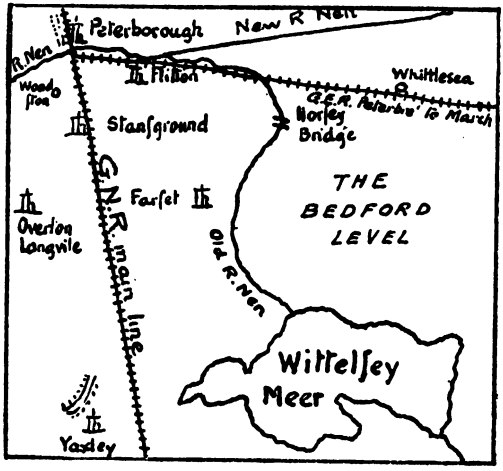


FIG. 3.
Percentages of total foreign trade values (imports and exports) of the continent of Africa.

Now, just as it is right to remember that it is geography and not economics we are concerned with, so it is necessary to begin the teaching with the base of all good geography teaching, viz., Physical Geography.

Physical Geography as an Important Factor. The physical map must be in constant use. The walls of the classroom should be hung with physical maps. Their political *confrères* may be safely left to the pupils' atlases. The influence of physical "controls" is never far away. Civilized people are quite as much controlled by environment as are "native" people, as to which the keenness of the modern search after easy road and rail gradients may be cited in witness. Therefore, any chapter on Economic Geography should begin with an elucidation of the physical features, because they are sure to influence the character of man, and the nature and course of trade.

Nor must it be forgotten that Physical Geography is a variable factor conditioned often by human agencies. Examples are innumerable. The Blue Mountains furnished an economic obstacle to the early colonists of New South Wales until, first, the



Scale. Yaxley to Peterboro'; 5 miles.

FIG. 4.

Whittlesea and district, as in Queen Elizabeth's time (Camden Brit., I, 500); but the new R. Nen, the Bedford Level, Whittlesea, the G.N. Railway, and the G.E.R. Peterboro' to March, all from modern maps.

zigzag railway from Lithgow to Emu Plains lessened the obstacle and then the tunnel of 1892 abolished it. Physical geography made Boston, in Lincolnshire, the first great English wool port; it was the fall of the Hanseatic League and the increasing size of ships quite as much as the silting up of the River Welland that sealed its fate. The

opening of new routes tends to ruin old ones, just as Suez has side-tracked St. Helena. Great dredging enterprises, rather than Nature, have made Tyne and Tees and Clyde the rivers they are. Inventions have often risen superior to geography: the Thomas process of treating phosphoric iron ores, introduced into Germany in 1879, enabled her to utilize her own inferior ores and become one of the greatest iron and steel powers of the world.

This factor, too, of Physical Geography is often multifarious. It seems a truism to say that a good natural harbour will make a great seaport. It may: it certainly will not unless other favourable conditions are present, and particularly the existence of a hinterland capable of furnishing an export trade. By way of test, compare the magnificent natural harbours of S.W. Chile with the artificial substitutes of S.E. India, and mark the economic contrasts.

Much stress should be laid on an important branch of Physical Geography, viz., climate. Take the case of the importance of wind with all that it involves: variations of temperature, rain, and its seasonable distribution. For be it remembered, the winds are the "purveyors" of climate, and that without wind the influence of the sea or temperature would not penetrate one mile inland. Compare, for example, any places east and west of the Rocky Mountains, and in about the same latitude (*e.g.* New Westminster and Winnipeg), and note the climatic contrasts due to the fact that the barrier ridges trend north and south, while the prevailing winds are south-west to north-east. (See p. 68.)

Several important inferences, or deductions, may be worked out from this table, obvious enough to the adult, but not so to the school boy or girl, who meets with the statistics for the first time. Here are two: (1) The far warmer winter and comparatively cooler summer in New Westminster due to the combination of prevailing wind and opposing ridge; (2) the moist (for Manitoba) *spring* and *summer* in Winnipeg (*i.e.* just the right time for the staple crop, wheat).

It is in this question of climate that the utilitarian

motif of Economic Geography, already alluded to, makes itself strongly felt. Few, indeed, are the commodities and methods of trade which do not fall under some control or other exercised by climate, from growing dates with profit in Tripoli or loss in Sicily, to mining gold in Queensland or the Klondyke.

		New Westminster.	*Winnipeg.*
	Lat. about	50°	50°
Extremes of Temperature.	Coldest Month.	34° F.	−5° F.
	Hottest Month.	61° F.	66° F.
	Variation.	27°	71°
Rainfall	Annual Average.	65″	18″
	Wettest Half.	Oct.-Mar. 46″	Apr.-Sept. 18″

Note-books and Exercises. An important point in method of teaching is the right use of his note-book enjoined on the pupil. It must be a *note*-book, not a collection of dictations. In such, the notes should take the form of exercises, sketch maps, diagrams, and statistics—each with explanatory additions where necessary.

As to *exercises*—really an interesting way of taking and making notes—two examples will explain the best type suggested. The first chooses one of the numerous bald statements of facts from the text-book and bids the pupil illustrate it in any way he can. Thus—

STATEMENT. "The Rhine is navigable for small boats up to Schaffhausen, for river-steamers of

100–200 tons to Basel (510 miles from the sea). By means of dredging and other works, Köln, Mannheim, and Strassburg can now be reached respectively by boats of 1,750, 1,500, and 800 tons. One of the many mouths, known as the 'New

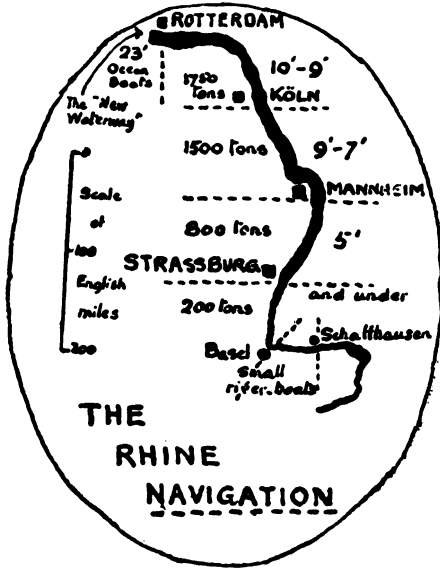


FIG. 5.

Waterway,' has been dredged so as to take ocean-going vessels with a draught of 23 ft. as far as Rotterdam, above which the minimum depth, even as high as Mannheim, is seldom below 9 or 10 ft.; beyond Mannheim this shallows down to under 5 ft."

EXERCISE. Fig. 5 is a facsimile of an actual illustration done by a promising student. We leave it as it is, and readers may make their own criticisms;

it is at least as illuminating as the text "statement." In the second example, the teacher dictates a "note," and, after italicizing the "points" and discussing the question orally, asks for an analysis of consequences—

NOTE. "*Japan* is composed of *igneous* and *sedimentary* rocks; much of it is of *volcanic* origin;

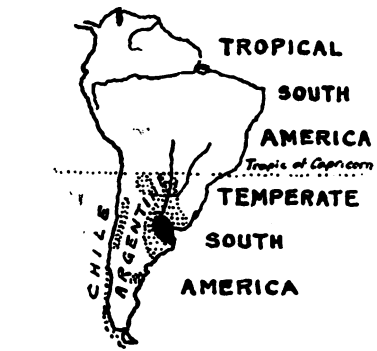


FIG. 6.

75 per cent. of the surface is *mountainous* (*Fujiyama* rising to over 12,000 ft.); the chief *rivers* are the Tone, Shiuano, and others of a similar type."

EXERCISE. The analysis might aim at some such substance and form as follows—

JAPAN:

Igneous. ∴ granite; ∴ kaolin and famous Japanese porcelain.

Sedimentary. ∴ coal and petroleum; ∴ development of railways, machinery, and manufactures.

Volcanic. ∴ sulphur; ∴ blow to the Swedish match trade in the Far East.

Mountainous. ∴ (i) agriculture difficult; and (ii) feudalism of old nobility easy.

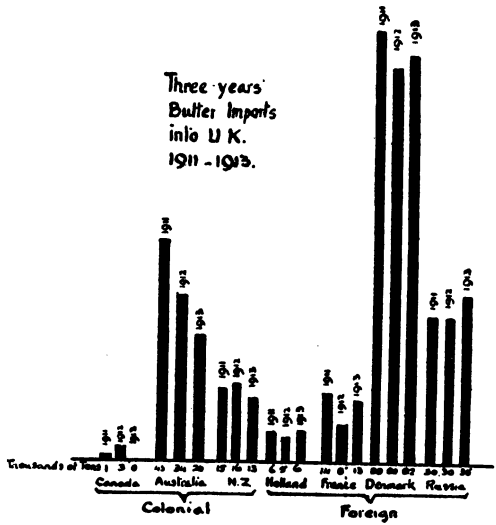


FIG. 7.

Fujiyama (the typical volcanic shape). ∴ low passes between peaks easy for engineering purposes.

Rivers (mountainous and short). ∴ torrential and unnavigable; ∴ all the more need for railways, without which communication between lowland and lowland would be chiefly by sea.

An analysis which really makes quite a neat little introduction to the economic geography of Japan.

As to *sketch maps*—avoid "label" maps, *i.e.* outline maps with "gold," "tin," "sugar," etc., peppered over their interiors. They are merely disguised catalogues. Rather encourage the drawing of innumerable small sketch maps, each devoted to the illustration of one, or at most two, ideas, and burdened with as few names as possible. Fig. 6 ("Wheat Production in South America") is the sort of type to encourage. For this purpose, a series of World and Continent outlines should be made by any of the numerous reproducing processes in vogue and stored for distribution by the teacher.

As to *diagrams*, let them also make for simplicity and multiply them indefinitely. Most statistical tables may be rendered palatable in the form of comparative columns or circular percentages, or graphs on squared paper.

Fig. 7 is an example of the familiar "column" type.

As to *statistics* themselves, some well-known geographers would banish them entirely from the economic and all other geography lessons. But, rightly used (*i.e.* for purposes of comparison and deduction rather than for mere figure facts), they must be effective, whether we take averages extending over a number of years, or figures for the latest available year.

The Butter diagram of Fig. 7 is of little value as it stands (*i.e.* as a record of figures, which are, moreover, liable to change from year to year); but it is effective when comparisons are made between one country and another, and deductions attempted as to causes and consequences. It shows, for example, how dependent we are to a great extent for our butter supply upon foreign countries, notably Denmark, and to how small an extent upon our Colonies—an unfortunate state of affairs, which should lead to suggestive ideas as to why it is so, and how, if possible, it may be remedied.

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SECTION XII

COMMERCIAL HISTORY

COMMERCIAL history is that part of general history which deals with the development of commerce and of all the forms of human activity which aim at the production and distribution of wealth, with the changes that have taken place at various times in the methods of trade and industry, in the demand for, and the supply of, particular kinds of merchandise, in the streams of traffic, and in economic aims and ideas. Commercial history is the study of the past from a special (*i.e.* a commercial) point of view. Political changes and industrial changes are closely connected with one another, and must be studied together. Economic changes alter the course of political events, *e.g.* the Industrial Revolution of the eighteenth century caused a great migration of population to the North and the West of England, and these parts of the country which had before been backward and comparatively unimportant became centres of activity; this made the demand for an alteration in the Parliamentary representation irresistible, and led to the Reform Bills and to the spread of democratic ideas. Political changes produce economic results, *e.g.* the establishment of the legislative union between England and Scotland by removing the obstacles that hindered the trade of Scotland, led to a rapid growth in Scottish commercial enterprise. The revolt of the American colonies from England was, it seems, partly the result of the increased trade of the colonies and of discontent with the Navigation Acts which hampered this trade; but the revolt would probably never have taken place had not the colonies been freed by the conquest of Canada from the necessity of depending on the protection of the Mother-country.

The foreign policy of a State is often determined by commercial considerations. England from the

thirteenth to the sixteenth centuries had almost a monopoly of the supply of wool. England, owing, in part, to its insular position, in part to the vigour and wisdom of its monarchs, was less exposed to war and internal disturbances than the other countries of Europe. The rearing of sheep is an occupation the success of which depends to a great extent on security and peace, which were better maintained in England than elsewhere. England was thus able to rear a great number of sheep and to export wool abroad, especially to Flanders; the English wool trade with Flanders led to the long alliance between England and Burgundy, the power which was predominant in Flanders. The alliance between England and Flanders has continued intermittently down to the present day, and is based partly on commercial considerations. The friendship of England and Portugal, based on the interchange of Portuguese wine for English woollen cloth, was also founded on commercial as well as political considerations.

War and Commerce. The tendency of the commerce of a country is to expand and to find new spheres of activity and fresh outlets for trade, leading to the discovery and settlement of new lands; while the competition of countries with one another for new acquisitions and fields of trade causes jealousy, rivalry, and war. The discovery of America was prompted in part by the desire to find a new route to the East to replace the Mediterranean route, which was blocked when the Turks conquered Constantinople. The race for trade with, and settlement in, America was one of the causes of the war between England and Spain in the sixteenth century. Commercial rivalry between the English and the Dutch, culminating in the Navigation Acts, which were directed against the Dutch carrying trade, led to the wars between England and Holland under the Commonwealth and Charles II. The attempts of France to extend her colony of Canada towards the south, and to increase her power and influence in India, contributed in part to the outbreak of the Seven Years War.

Success in war leads to a great expansion in the trade of a country. The rapid commercial development of Germany after her success against France in the war of 1870–1871 shows how supremacy in arms often leads to the increase of trade and wealth. Commercial history teaches us that "trade follows the flag."

Religion and Commerce. Even religion has its commercial side. The pilgrimages of the Middle Ages promoted intercourse between different countries and led to the growth of fairs. The Crusades stimulated commerce, increased the prosperity of many of the Italian cities (such as Genoa, Pisa, and Venice), extended geographical knowledge, and introduced into Europe the products of the East. Some of the great monastic Orders, such as the Cistercians, were great wool-growers and wool-exporters. The transmission of money to the See of Rome in payment of dues and of the costs of appeals to the Papal Court made England acquainted with bills of exchange, which were sent to Rome by the Pope's agents, the Lombard bankers, and which represented the export of wool from England to Italy.

Commercial history deals with changes in commercial and industrial methods and aims: some commercial methods and practices are common to all periods of the history of European civilization, and others take new forms. For practical purposes, it is better to limit the study of the subject to one country such as England, although for the sake of understanding English commercial history, we must consider the history of other countries which have affected England. To teach commercial history efficiently, it is necessary to be always going backwards and forwards, for we cannot understand the present unless we study the past, and we cannot understand the past without studying the present.

Commercial History of England. The field of the commercial history of England is an enormous one, for, from the beginning of the English settlement in the fifth century A.D. down to the present time,

there is a continuous chain of events nearly fourteen centuries long. In order to cover this period properly, it is necessary to sub-divide it into several divisions and to select in each division certain heads to be considered.

English commercial history may be broken up into four divisions: the first, from the beginning of the English settlements in the fifth century to the fourteenth century, during which time England was almost purely an agricultural country; the second, from the fourteenth century to the middle of the sixteenth century, when England began to be a manufacturing and maritime country; the third, from the middle of the sixteenth century to the middle of the eighteenth, the period of the beginning of oceanic voyages and the foundation of colonies; and the fourth, from the middle of the eighteenth century to present times. This is the period of the application of steam power to manufactures, and of the capitalist or factory system.

Another way of tracing English commercial history is to consider it according to the economic methods which were at different times in fashion with regard to the application of labour and capital to industry. Thus we should begin with the manorial system; then pass on to the growth of towns and the gild system; then to the growth of the woollen manufacture, the migration of labour to the country districts, and the substitution of the domestic system for the gild system; and, finally, to the supplanting of the domestic system by the factory system, which the Industrial Revolution made necessary, and the rise of which led to the growth of trades unions and all the complications of the modern problems of the relations of labour and capital.

With regard to the application of capital to industry and commerce, varying systems have been in vogue from the days when societies like the Merchant Adventurers arose out of the London Livery Companies, to the times of the great chartered companies under Elizabeth and her

successors. Most of these companies decayed as they became unsuited to the conditions of changing commerce; some of them altered their character. The modern equivalents of these societies are the limited liability companies, which have grown enormously in number since the system was introduced by the Companies Act of 1862.

Finance and Currency. The money-lending industry has passed through many changes. The Jews were brought in by the Norman kings and were expelled by Edward I, and Lombard and other Italian and foreign financiers took their place. English monarchs had, at first, to borrow abroad till the time of Elizabeth, when a sounder financial system and better developed industry made it possible to borrow at home. The history of English banking has passed through many changes from its beginning with the London goldsmiths to the rise of the Bank of England and the private banks in the seventeenth century, and the enormous extension of banking enterprise and the founding of joint-stock banking companies in the nineteenth century.

The extension of the credit system and of speculation has led to financial crises, such as the stop on the Exchequer in the reign of Charles I, the "South Sea Bubble" in the reign of George I, and the panics of the nineteenth century.

Momentous changes have from time to time taken place in the supply of the precious metals and in their value. Great alterations in value were produced by the discoveries of gold and silver in America in the sixteenth century; and by the discoveries of gold in California, Australia, and South Africa in the nineteenth century, when the establishment of gold as the chief standard of value caused for a time a depreciation in the value of silver.

Many great and puzzling changes have occurred in the history of coinage in England; in the earlier times only silver and copper were coined here, but in the reign of Edward III a regular gold currency was instituted; the names and values of English coins have changed, and various attempts have been made to depreciate and reform the coinage,

which has been supplemented by paper currency and negotiable instruments.

The Influence of Economic Theories and Ideals. Economic theories and ideals have changed from age to age, and have produced an important influence on legislation, as may be seen in the rise of the mercantile or protectionist system under Richard II, and its development under Elizabeth and her successors culminating in the Navigation Acts and the Corn Laws. Then trade expanded to such an extent that Government control became impracticable, and the movement in favour of Free Trade sprang up, and led to the repeal of the Corn Laws and the Navigation Acts. In quite recent times, a reaction against the policy of Free Trade has taken place. Great changes have also taken place in systems of taxation and the different ways of raising revenue. The course of maritime discovery and colonization has changed from time to time, and these changes have reacted on trade and Imperial policy.

Properly to understand commercial history, we must also study the development of English shipping, and of the Royal Navy; the course of scientific discoveries and their application to industry; the inventions of new machines and new methods of driving them; changes in the means of communication, such as roads, canals, and railways; changes in agricultural methods; the rise and development of some of the most important English industries, such as coal-mining, iron-smelting, cotton-spinning and weaving; and the growth of the oversea trade, the development of the colonies, the dependence of England on foreign supplies for food since the end of the eighteenth century, the competition of foreign nations, and the course of geographical discovery.

The field to be covered is enormous; and to bring it within practicable limits, it will be necessary to take up different periods or heads at different times, but always to give some slight summary of the whole period, in order to preserve an idea of the continuity of the subject.

SECTION XIII

COMMERCIAL ARITHMETIC

ARITHMETIC, in its modern aspects, is of two kinds: (1) pure or mathematical arithmetic, treating of abstract number, and including the principles of computation and the theory and laws of arithmetical operations, together with the comparison of magnitudes by means of ratio and other functional relations—which may be called arithmetical science; (2) applied arithmetic, dealing with the magnitudinal relations of concrete quantities of all sorts—which may be styled the art or practice of arithmetic. The requirements of everyday life include a continual comparison of values: one of the chief applications of arithmetic is, therefore, to money and its equivalents, a branch which is usually named commercial, financial, or business arithmetic.

In early days arithmetic was taught with this one end in view; it was essentially a non-mathematical subject, and its teaching seldom lay in the hands of mathematical men. The writing-master was also the teacher of arithmetic; neatness, well-formed letters and figures, flourishes and ruler-work, were the touchstone of successful teaching. The rules were taught dogmatically; slavish imitations of worked examples and strict adherence to cast-iron methods led to long and cumbrous calculations, in which often tedious multiplications were performed only to be undone by division a few steps later; each application to a different phase of business life necessitated a new chapter, and these chapters were all kept in haughty isolation, being hardly on bowing terms with each other. "In one small arithmetic of less than 200 pages, there are Tare and Tret, Fellowship without Time, Fellowship with Time, Freehold and Lease, Chain Rule, Arbitration and Exchange, Alligation Medial, Alligation Alternate, Single Position,

Double Position. Some of these have disappeared so completely that very few people have even so much as heard of them."

Modern school practice has made of the third "R" a valuable educational instrument. The early teaching of number is necessarily concrete, but the universal applicability of its principles comes to be realized gradually by the learner, and a sound philosophical treatment is then possible. Algebra and geometry are occasionally called in to shorten and clarify complicated pieces of reasoning. A boy or girl usually leaves school in possession of tolerable skill in handling number.

It is a question, however, how much time should be given at school to commercial arithmetic, which includes interest, discount, stocks and shares, foreign exchanges, etc. "The subject introduces no new mathematical principles, and it involves a large amount of technical detail connected with commerce and finance which is very difficult for boys at school who have no experience of the world of commerce, but which they can acquire easily later on. Moreover, the average mathematical teacher cannot be expected to be thoroughly familiar with modern developments of the detailed practice of large commercial houses, banks, the Stock Exchange, etc., so that his description of Commercial Arithmetic is apt to be antiquated and unreal."

It would appear, therefore, that the subject is best left to be treated in detail as a continuation subject. It should be associated with book-keeping and commercial practice; and the teacher is likely to be better equipped if he is a man of business experience. All academic excrescences should be ruthlessly pruned away—such as *true discount* and *recurring decimals;* the idea of the former should be suppressed in favour of *present value;* and for the latter, fractions and approximations substituted. Actuarial science is an outgrowth of algebra rather than of arithmetic, yet annuities and assurances cannot be omitted from a complete course of mercantile arithmetic.

A habit of thought to be cultivated is that of thinking in percentages: it provides a common ground for international business transactions, whereon one is independent of units. A good deal of attention should be given to computation and the discriminating use of short methods; rough approximations should be insisted on in every problem where they can be usefully employed; logarithms must be used to lighten heavy calculations. Graphical work is useful as a means of both illustration and calculation. Many questions of interpolation are solved most easily by this method. A graph provides the simplest rough transformation from one set of units to another, and may be used advantageously in questions of foreign exchange. Statistics are conveniently dealt with graphically. "The complicated time-tables of some of the railway companies are worked on squared paper and allow the position of a train at any time to be seen at a glance."

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SECTION XIV

BANKING

AMONG bankers there is an aphorism that a bank is the only place in which a thorough knowledge of banking can be acquired. Probably the author of the saying was considering banking, not in its mere technical aspect, but as an art, as one of the higher branches of business. Looked at from this point of view, the business of banking demands from its exponents many qualities which, though one would not go so far as to say they cannot be taught outside a bank, are certainly outside the curriculum of most teachers under existing conditions.

Bank Managers. The successful banker, under which term is included the bank manager and those other officials upon whom devolves the responsibility of directing and controlling the affairs of a bank, must have a large share of those attributes which bring success in almost any branch of business. He requires a cool head and a hard head, the ability to read other men and to manage them, a sound judgment, self-reliance, the capacity for coming to a prompt decision, and the courage to carry through that decision to its logical conclusion. Teaching which confines itself to imparting the mere technicalities of banking, without training the student in the exercise of those mental powers which are necessary for the efficient use of the knowledge so acquired, is obviously imperfect and one-sided, and is often the cause of the suspicion and distrust with which the successful business man is apt to regard the possession of an educational certificate.

Bankers' Examinations and Training. If this is granted, it follows that great importance must be attached to the personal relation between teacher and student; for it is only by personal contact

that the more practical virtues can be developed. Men are not born with equal mental powers, and the study of individual characteristics and the correction of individual idiosyncrasies form an important part of the teacher's work. It may be thought that the task allotted to the teacher is too severe, and beyond the powers of most of those upon whom the duty devolves. If so, it is because we are apt to underrate the importance of the *rôle* played by the teacher, especially the teacher of commercial subjects. Judged by the standard just laid down, it is plain that much of the teaching to which the young bank clerk has access falls very short of the ideal, lamentably so in many cases. This is, in part, due to mistaken ideas which are prevalent as to the value of examinations, and frequent confusion of thought as to the proper relation of teacher and examiner. Examinations are now regarded as one of the most important and necessary adjuncts of any educational system, and, open to abuse though they are, it is difficult to see how they can be dispensed with. Examinations hold up before the student a standard of efficiency, without which much of his effort would be dissipated; they add a spur and a zest to his work, and afford a definite aim towards which his exertions may be directed. But examinations, it should be remembered, are merely tests that the teaching has been thorough and that the student has been able to assimilate some of the knowledge which the teacher has endeavoured to impart. The mistake is far too frequently made, both by the teacher and the student, of regarding the passing of an examination as an end in itself; and the ability to prepare a candidate with the minimum of effort and the shortest course of reading is often wrongly regarded as a test of good teaching. The "correspondence college," which, in many instances, takes as the basis of its teaching the mere preparation of answers to questions set in previous examinations, affords an example of the worst possible type of teaching. The knowledge so acquired tends to be superficial and scrappy, and

the student would often derive far more benefit from an unassisted course of reading. The effort would certainly be greater; but there is no royal road to knowledge and the mere expenditure of this effort is one of the surest methods of gaining an accurate and lasting knowledge of the subject studied. "Easy come, easy go," is perhaps truer as regards educational methods than in the case of money.

Moreover, teaching of this kind lacks the element of personal relation between teacher and student, which is so essential for the formation of business habits and for the training of the intellectual faculties. Many of the attributes of the successful banker alluded to above can only be developed from experience, and the earlier the young man can be entrusted with a little responsibility, the more rapidly will his faculties mature. But, however young he be, the teacher can wield a powerful influence in restraining and directing his natural tendencies, and correcting his weaknesses.

Clearness and accuracy of thought should always be encouraged. In every branch of business the man with a smattering of knowledge is an object of dread to his superiors, because such a man is apt to draw erroneous conclusions and forthwith to act upon them. Every examiner is familiar with the man who attempts to answer every question, and covers his lack of real knowledge with vague generalities. In a business such as banking thoroughness is essential, and the scope of a student's reading should, therefore, be deep rather than wide. He should be encouraged to think out his difficulties for himself, and constant tests should be applied to prevent superficiality.

Success in Banking. The successful banker is nearly always a man of cautious and conservative temperament rather than a brilliant thinker. All over the English-speaking world, it will be found that a very large proportion of the most responsible banking appointments is held by Scotsmen. Needless to say, this is not due to chance or favour. It is due to the fact that the

Scot is by nature a solid thinker, with a full appreciation of the value of accuracy in detail, which the Englishman, with equal intellectual ability, is too apt to scorn. In the lower departments of a bank, the successful conduct of routine operations plays a very important part, and the young banker should be trained to realize the necessity for concentration and application. Those who are familiar with the internal affairs of a bank know that mistakes occur more frequently on the days when the work is not heavy, than at times when pressure is greatest. At the latter time, the faculties are keyed up and everything combines to compel intense concentration; while on occasions when there is time to spare, the attention is apt to wander. The young clerk should further be taught the value of considered action. Youth is impetuous and zeal sometimes outruns discretion. "The more haste, the less speed," is a time-honoured proverb which holds good in business, and the effort to win the race at too early a stage may result in disaster.

Technical Equipment. With regard to the technical portion of the young banker's equipment, it will hardly be going too far to say that a thorough knowledge of the English language is of primary importance. It is astonishing how few men are able to write a really good business letter especially when we remember that the general manager or other official who has control over a large staff has few opportunities of personal intercourse with its individuals, and that a clerk's correspondence may have a deciding influence in the formation of the manager's opinion of his capabilities. Similarly, the bank's customers cannot but be favourably impressed by a skilfully-written letter, while a slovenly and ungrammatical correspondent will rarely inspire confidence. There is a very widespread fallacy that the art of letter-writing requires little or no study, and many men possess a complacent belief in their own powers as a correspondent, simply because their knowledge is insufficient to enable them to recognize and realize their own shortcomings. In the

examinations of the Institute of Bankers, the percentage of unsuccessful candidates in English Composition and Correspondence is almost invariably greater than in any other subject, and the answers of the candidates show conclusively that many of them have devoted no serious study to the subject, but rely on their general knowledge. Not only is a knowledge of the laws of grammar and style necessary, but to become an efficient letter-writer demands the possession of an ear for language which only training and experience can impart.

Another subject of first-rate importance to the would-be banker, is the law and practice of cheques and bills of exchange. As a general rule, the amateur lawyer is not to be relied upon; but the law of bills and cheques, which was one of the first branches of law to be codified in this country, is so concise and self-contained, that it presents few snares to the intelligent layman. The maxim that ignorance of the law excuses no one, is applied with more than usual strictness against bankers, and the Courts are quick to attribute negligence to the bank which omits the precautions enjoined by the code, and to deprive it of the useful protection which the code affords.

In addition to a knowledge of bills and cheques, the student should study the structure of the English banking system and its relation to the London money market. He should, further, become thoroughly familiar with the relations of banker to customer, more especially with regard to the ordinary dealings on current account, the various classes of security lodged with a bank as cover for advances, and the proper methods of handling such securities. He should learn to understand and analyse a bank balance sheet, and should acquire a knowledge of the general principles of the foreign exchanges.

The teacher should remember that any one whose work lies within the walls of a bank will acquire a practical familiarity with some or all of the ordinary banking transactions and the documents used in carrying them through, and he should enjoin on the student the necessity for observation and for

applying to his daily work the lessons learned in the course of his study. Much of the routine of a large joint-stock bank is carried out in conformity with a carefully compiled series of instructions issued by the head office of the bank, and many men are content to carry out these instructions without seeking the reasons by which they are inspired. Mental indolence is, in some cases, the obstacle; in others, it is due to sheer inability to recognize the connection between theory and practice—a mental state which is often the result of incompetent teaching. The really competent banker must nowadays have a fairly complete acquaintance with commercial law, though the knowledge so acquired must be used with caution. Without such a knowledge, however, he may walk blindfold into difficulties against which a study of legal principles would have put him on his guard. The branches of law to which his attention should chiefly be directed are company law, the law of contract, the law of bankruptcy, and the law relating to negotiable instruments. A knowledge of mercantile book-keeping is essential, and the young banker should be specially trained in estimating the value of a balance sheet from a lender's point of view, bearing in mind that this point of view differs essentially from that of the accountant.

Text-books. With regard to the choice of text-books, the Institute of Bankers publishes an examination syllabus, which contains a carefully selected list of books recommended for the use of students. Most teachers try to cut down the list to a minimum in a mistaken endeavour to spare the student unnecessary effort. Such a method of teaching is wrong. However good the text-book may be, it is in very few cases good enough to stand alone. An author's views of his subject are necessarily limited by his own personality, and there is no better mental discipline than to study two or more text-books dealing with the same subject, and to compare and reconcile the opinions of the several authors.

SECTION XV

INSURANCE

THE scientific principles and the practical aspects must be equally balanced. The aim should be to produce a trained intellect, well versed in business and affairs, and confident in practice because root principles are thoroughly understood. Nothing is more to be avoided than the over-development of the purely theoretical or abstract side, to the neglect of a knowledge of current practice. Such a course may produce a brilliant essayist in the more recondite aspects of the science of probabilities, but it is certain to evolve a poor man of business.

The teacher, then, should duly expound the mathematical and statistical foundations of each branch of insurance; but, step by step, the way in which business matters are dealt with should be explained as a running commentary on the theoretical teaching.

Life Insurance. The teacher should first go through the prospectus of an enterprising office, to give some idea of the activities of the life insurance business. Then the tables of premiums will form themes for lectures on mortality rates and the various tables of mortality that have been compiled. Compound interest can be illustrated by the table of sinking fund or capital redemption premiums found in the prospectus. Simple examples of the calculation of premium rates will follow, and the nature and reasons for loadings. Then the different plans of insurance may be discussed and analysed in chart form. Next, the proposal for insurance should be taken, and the policy and the conditions to which it is subject, such as payment of premiums within the days of grace, restrictions on occupation or residence, etc. Discussion of a particular company's annual revenue account and balance sheet follows; the annual volume of *Returns*

to the Board of Trade by Life Offices contains a wealth of material for this purpose. Valuations will be touched on when explaining the origin of the life assurance fund and the necessity for ascertaining periodically whether it is sufficient; bonuses follow naturally, and the whole subject may be related to actual practice by discussing the valuation returns found in the Board of Trade Returns above mentioned. The Assurance Companies Act, 1909, should be studied, and the parts relating to valuation connected with the discussion on valuations. Insurable interest brings in the Gambling Act, 1774; the case law that defines an insurable interest; and the funeral benefit clauses of the Assurance Companies Act, 1909. Returning to the prospectus, extra premiums, rating up under-average lives, and diminishing abatements in the sum assured may be discussed, with examples and reasons for certain courses. Assignments and mortgages of policies, stamping, etc., require the aid of forms of assignment and mortgage, taken clause by clause. Finally, the student should read the insurance Press systematically, and important articles should be discussed by teacher and student.

Fire Insurance. Classification of risk is the beginning of fire insurance rating; for this, a knowledge of building construction and terms is required, and the student should be able to read and draw plans. Hazards incident to flues, hoist openings, boilers, stoves, gas engines, and the like, and those arising from carrying on various trades, must be understood; and the manner in which such hazards are dealt with in rating the risk and drawing up the policy. A knowledge of the various common forms of endorsement inserted in policies is essential, and correspondence regarding risks should also be studied. The settlement of claims is important, and sometimes intricate; and the effect of the average clause under different circumstances must be carefully worked out. The various means employed for the prevention, notification, and extinguishing of fires should be dealt with, as

bearing on the rating of a risk; and the characteristics, advantages, and disadvantages of each should be discussed. As an advanced course, the student may take chemistry, with special reference to fire risk, and electrical engineering. The latter subject is especially important in view of the enormous use made of the electric current in business and domestic buildings, and the great risks of fire which are inherent in faulty, cheap, or neglected installations. The Board of Trade and Home Office Regulations should be studied, and the rules of good wiring laid down in the text-books and the publications of the Institute of Electrical Engineers. Insurance against loss of profits, or consequential loss, has assumed prominence of late years, and the means adopted to guard the interests of the office in this complicated type of indemnity should be discussed.

Accident Insurance. The meaning of the word "accident" as elucidated in legal decisions should be noted, and the means which companies have taken to make the meaning as precise as possible. The policy terms, classification of the person assured, travel and occupation restrictions, exclusions of certain causes of death, and the moral hazards involved in accident insurance, require to be discussed; and, now that sickness benefits are introduced in many cases, the nature of the various diseases insured against, and their duration and effects, must be dealt with.

Employers' Liability Insurance. The Workmen's Compensation Act, 1906, requires to be studied with particular care, and also the legal decisions in actions for compensation. The effect of the common law and of the statutes preceding the Act of 1906 have also to be considered. The mode of rating the employer according to wages paid and nature of work, and the methods of settling claims, should be discussed; the Act of 1917, adding a temporary 25 per cent. to the compensation, should be noted.

Marine Insurance. The Marine Insurance (Gambling Policies) Act, 1909, which prohibits any insurance where the insured has no interest, requires

noting. The different forms of policy, "voyage," and "time" should be elucidated, and the effect of general and particular average. The York-Antwerp Rules, which regulate claim settlements, require to be discussed, and the many legal decisions which have gradually defined the time-honoured form of marine policy.

SECTION XVI

COMPANY SECRETARIAL WORK

THE subject of company secretarial work does not at the present time occupy a prominent position in the schemes of commercial education. This is somewhat surprising when one considers the onerous character of the work of the company secretary and the penalties to which he is subject for default in carrying out the provisions of the Act of Parliament by which his company is governed. One reason for the lack of classes in this subject is probably the fact that apart from the examinations conducted by the professional bodies of secretaries, the educational examining bodies (with one or two exceptions) do not cater for students of secretarial work although the cognate subject of Company Law is included in all the examination schemes. Secretarial work is so interwoven with Company Law that it is impossible to teach the former without dealing with the latter. This is a difficulty which many teachers of secretarial work experience owing to the regulations adopted by some educational bodies by which no one but a solicitor or barrister is allowed to teach Company Law. The result is that the law is taken in one class and the practice in another—an arrangement which leads to a great deal of overlapping. As an example of this take the case of "forfeited shares." The legal aspect of the matter is dealt with in the Company Law class; the secretarial work in connection with the carrying out of the forfeiture is considered in another class held perhaps several months earlier or later, while the book-keeping entries are explained in a book-keeping class held at another period.

It is suggested that the most satisfactory way of dealing with the matter is to combine Company Law Secretarial Practice and Limited Company

Book-keeping in such a manner that the same teacher may deal with all three subjects. This can be done in a class of two hours' duration held once a week. The topic under consideration can be discussed in all its aspects, the overlapping is avoided, and a great saving of time is effected.

Where, however, the arrangement suggested above cannot be adopted, the teacher of secretarial practice should co-operate with the teacher of company Law, and the syllabus of each should be drawn up to prevent, as far as possible, overlapping.

The students who attend classes in secretarial work are usually of mature age, and very earnest. Many of them are engaged in the offices of limited companies and are preparing for the examinations of the professional bodies of secretaries. The teacher will find that they are keenly interested in the practical side of the work; hence he should be a man who has had practical experience in company work; otherwise, he may not be able to deal satisfactorily with many of the knotty points which come before the notice of the students, and which they bring to class for solution.

The following scheme is suggested for a course of about thirty lectures of one hour each, it being assumed that the legal and book-keeping phases of the subject are dealt with elsewhere.

The Company Secretary—kinds of Companies—Memorandum of Association—Articles of Association—Directors and Auditors—Capital and Shares—Prospectus—Application for Shares—Allotment of Shares—Register of Members—Share Certificates—Calls—Transfer of Shares—Borrowing Powers and Debentures—Meetings of Shareholders—Meetings of Directors—Minutes—Reports—Annual Return and Summary—Dividends—Winding up.

It will be an advantage if the text-book used contains the Companies Acts, 1908 to 1917, as it is frequently necessary to refer to the exact wording of the sections quoted. An added interest will be given to the lessons if each student is provided with a set of the more common forms used in company work. These forms should be filled up

when the matters to which they refer are discussed, the students following the specimen put on the blackboard by the teacher. By the adoption of this method, the student not only becomes familiar with the forms actually used in practice, but at the end of the session, he has a set of forms filled up in the manner approved by the Registrar of Companies, showing all the steps in the career of a company from its inception to its winding up.

Although, in the main, the lesson will take the form of a lecture, the students should be given the opportunity of discussing the points raised, an opportunity of which they will willingly avail themselves.

In the scheme outlined above, the opening lecture deals with the company secretary, a topic which can be made very interesting by an exposition of the importance of the office, the training, qualifications, duties, powers, and legal position of the secretary. The lecture on "Kinds of Companies" should treat of unlimited companies and those limited by guarantee and by shares. Without going too fully into the matter, the distinction between public and private companies might be mentioned and reference made to Cost Book Companies and companies formed under special acts. Only the main features of the Memorandum of Association need be touched upon, as this subject will be treated in detail in the law class. With regard to the Articles of Association, emphasis should be laid on the necessity for the secretary to be thoroughly acquainted with the contents of the Articles of the company in which he is engaged and the teacher should remind the students that although Table A will be used in the class, the Articles of the companies in which they are interested may differ from Table A in several respects. The real secretarial work commences with the application for shares, and attention should be given to the status of various applicants, *e.g.* women, infants, etc. The ruling of the application and allotment sheet should be given and the class instructed in the proper way of making

entries thereon. Due consideration should also be given to conditional applications, the withdrawal of applications and the return of application money. The allotment of shares gives scope for an interesting lecture in which an account should be given of the office arrangements which are necessary in order to cope efficiently with a large allotment. The resolution of allotment should be noted and the allotment sheets entered up. Then would follow an explanation of the use of Letters of Allotment and Letters of Regret, after which the Return of Allotments would be prepared. All the documents mentioned should, of course, be filled up by the students under the supervision of the teacher. The next step is to write up the Register of Members, a ruling of which should be in the possession of each student. A reference should be made in this lecture to the rights and liabilities of joint shareholders and bankrupt shareholders, etc., and to a member's right to inspect the register. The closing of the register and the keeping of a Colonial Register might also be considered at this point. The issuing of the share certificates now requires attention and the opportunity would be taken to point out the regulations regarding the use of the seal, and the procedure in case of lost certificates. Share warrants might also be explained in this lecture. In treating of calls, it will be necessary to call attention to the use of, and ruling for, the Call Book, the resolution making the calls and the entries necessary in the Register of Members. The non-payment of calls leads to forfeiture of shares, and the procedure connected with forfeiture should be carefully explained, special attention being directed to the necessity for following in every detail the provisions of the articles.

Several lectures may be devoted to Transfers. This is probably the most interesting part of the syllabus, as it is also the one on which the ideas of the students are most hazy. A good plan is for the teacher to fill up a number of transfer forms, each form containing a special point. The forms

would be handed to the students, who would be asked for the correct procedure in regard to each. Among the topics to be dealt with in the first lecture on transfers are the certification of transfers, the use of transfer receipts and balance tickets, the sending out of notices of lodgment. The second lecture could be devoted to the examination and registration of transfers (special attention being paid to consideration and attestation), the register of transfers, blank transfers, and the power of directors to refuse transfers. The third lecture (and possibly the fourth) could be devoted to transmission. This subject requires very careful treatment, especially that section relating to the registration of personal representatives of deceased shareholders.

The distinctive features of ordinary, extraordinary and special resolutions should be pointed out, and the ways in which the sense of a meeting is taken should be explained. This will necessitate a consideration of the voting power of members by show of hands, and by poll; voting by proxy and the availability and stamping of proxies. The drafting of minutes deserves serious attention, as this important branch of secretarial work is frequently done in an unsatisfactory manner. The teacher should explain the object of taking minutes, and give some hints as to how they ought to be taken. This should be followed by an explanation of the meaning of "confirming the minutes," and the students' notice should be called particularly to the importance of not altering minutes after they have been signed. Plenty of practice in drafting agenda and minutes should be given.

The secretarial work in connection with debentures relates chiefly to issue of the bonds, the register of debentures, the register and registration of mortgages and the redemption of debentures, and these are the matters to which the teacher should give attention, making throughout free use of the necessary forms and rulings. Meetings can be considered under three headings, viz.,

Statutory Meetings, Ordinary and Extraordinary Meetings, Directors' Meetings. The regulations regarding the convening and conducting of each kind of meeting should receive attention, and the class should be given plenty of practice in drafting notices of meetings and resolutions of various kinds.

SECTION XVII

COMMERCIAL AND COMPANY LAW

COMMERCIAL Law as a subject in the curriculum of commercial schools is of comparatively modern origin. It owes its position in advanced commercial courses to the fact that the older accountancy societies have for many years included it in their syllabuses of examinations. It is purely a creature of syllabuses, and as a school subject seems to be restricted by the requirements of the various public examining bodies. In reality it has no place as a separate entity in our legal system. There is no special code, nor are there special courts, or at least special courts exist only to a limited extent. It is part of the general law of the land selected from the mass of civil law as being connected with commercial life. It can be defined as that part of the law which deals with mercantile persons in mercantile transactions, or in dealings with mercantile property, and taking this as a starting point it is found in every field in law and equity with the exception, perhaps, of the branch of the law dealing with divorce.

Commercial Law, as at present comprehended, covers many branches, but is nevertheless too restricted in its nature. If we examine the average business undertaking we find that one of the first requirements is that the business shall be properly housed; yet the law of the landlord and tenant, and the law as to the ownership of freeholds, is seldom included in the commercial examination syllabus of public examining bodies. As in other subjects it is rather a pity that the scope and methods of teaching should in some measure be limited by examination requirements.

Subject Matter. Commercial Law has come to have its place in the examination schemes of all authorities examining for diplomas in Accountancy and in Secretarial Work. In addition, the London Chamber of Commerce and the Royal Society of

Arts and many professional authorities present the subject of Commercial Law (with or without Company Law in addition) as a single subject for examination. In every case the basis upon which the curriculum is founded is, very widely, Law of Contract. A thorough groundwork in this branch of the law is absolutely necessary for a proper understanding of the more specialized work required by business students. Sale of Goods, Carriage of Goods, Bills, Notes and Cheques, and the Law of Agency usually follow as examples of Special Contracts. Generally speaking, only one standard of examination is offered, consisting of what is known as the senior or advanced stage. Whilst there is no such thing as elementary law or advanced law, it would be an easy matter to divide the syllabuses proposed into two parts, the first part consisting of principles, the second part of the application of principles. The examination of the Royal Society of Arts is now, however, divided into two classes, representing the Intermediate and the Advanced stages. It is generally understood that these titles are given for the sake of convenience in classification, and it is hoped that the basis of division will be as above suggested.

With regard to Company Law many commercial schools have been content to consider the subject as a part of Commercial Law, viewing the law relating to mercantile persons as (*a*) general law dealing with the sole trader, and (*b*) specialized law dealing with partnership and the limited company. The importance of Company Law from the point of view of the Secretary and also from the Accountancy point of view, has made this branch assume an importance which it should not really have. It does, however, provide a wide scope for reading and study, and might well be considered as a subject in itself, or as an advanced part of general Commercial Law. In a similar manner Bankruptcy, Liquidation of Companies, Arbitration, Partnership, and Executorship have come to be looked upon as subjects distinct from general Commercial Law. If this plan is adopted throughout, the main subject

can very well be classified out of existence, and examination authorities to some extent are beginning to recognize this fact. The Institute of Chartered Accountants does so in abolishing the subject known as the Rights and Duties of Liquidators and Receivers, and including the questions formerly set under this head under their appropriate sections in Bankruptcy and Company Law. On the other hand, a further subdivision is taking place in the provision of new single subject tests in Railway Law, Shipping Law, Law of Inland Transport, proposed or already in existence, under the examinations scheme of the Royal Society of Arts.

Methods of Teaching. As a class subject Commercial Law lends itself to the lecture method in a greater degree than does any of the other subjects of the commercial school curriculum. This tendency is the more marked on account of the type of teacher generally engaged on this subject. Owing to its wide scope and its far-reaching importance, the best type of teacher naturally is the specialist who is a qualified lawyer. It is immaterial to which branch of the profession he belongs, so long as he has a clear grasp of his subject. His training and education have generally been on the lecture room lines, and consequently the student of Commercial Law receives his training under similar conditions. In spite of these facts the subject is not one which must necessarily be lectured upon. It can be *taught* in the true sense of the word, and leading principles can be deduced by reference to and consideration of decided cases.

A careful combination of the lecture and the true teaching method answers admirably in this subject. The teaching method is much slower than what has come to be considered the orthodox way of imparting knowledge of this branch of training, but if students can be taught to obtain the rules of law from the results of decided cases, something more has been done for them than would be the case in the mere imparting of knowledge.

The successful teacher of Commercial Law must have something more than the lawyer's outlook:

he must be able to visualize the business relations of mankind, he must have a clear perception of the elementary principles of contract, the ability to apply those principles, and the capacity to place himself in the position of the inexperienced layman.

The policy of soliciting questions regularly throughout the course of lessons should be adopted, as experience teaches that the difficulties of the individual in this subject go to make up the difficulties of the class in general, and by allowing pupils to ask questions of the lecturer, their lack of knowledge is better gauged than in the case where the lecturer himself asks questions of the pupils. The layman with a knowledge of Commercial Law, without the broader legal training in other branches is therefore not the person to be responsible for the teaching of Commercial Law. There can, however, be no harm in such a teacher's undertaking specialized subjects such as Company Law, Bankruptcy, and even Partnership, but in these cases the channels along which the inquiring mind of the student travels may lead the unwary lecturer into a morass of doubt which is fatal to his future success as a teacher of Commercial Law.

Relationship with Other Subjects. Commercial Law is closely related to many of the subjects of the general commercial curriculum. It occupies a place to a limited extent in Commercial Practice, indeed, the elementary stage of Commercial Law may be said to commence in the study of Bills, Notes, and Cheques, the elements of the Law of Carriage and Transport generally, and in the Sale of Goods, Marine Insurance, and Shipping Law, found under the guise of Business Methods or Commercial Routine. In like manner a knowledge of some of the branches of Commercial Law is necessary for a complete understanding of Accountancy in its later stages. Without some idea of Commercial Law the student of Book-keeping, even at so early a stage as a consideration of the balance sheet of a business, will find difficulty. A knowledge of what is considered to be fixed and what floating capital, why it is necessary to distinguish fixed from floating

capital, assists materially in establishing in the mind the marshalling of assets in the balance sheet. Without some knowledge of the law as to Partnership it would be impossible for the student of accounts to prepare final accounts for a partnership firm not having any partnership agreement; and similarly, the keeping of accounts in a proper manner so as to satisfy the Registrar of Joint Stock Companies is purely a matter of the Companies Acts and so of Commercial Law in its widest sense.

It is open to serious question whether or not it would be wise to introduce the subject of Commercial Law, at any rate so far as principles are concerned, at an earlier stage. It is difficult for the student of Commercial Practice to conceive that each undertaking comprised in an accepted Bill of Exchange amounts to a Contract. Indeed, if the junior student could comprehend this aspect it is doubtful whether the full significance of the fact would be understood. An elementary course on contractual relationships would tend to make this and other aspects of Commercial Practice much more clear. The same end could be attained by broadening the scope of what is known as Business Methods, and introducing the elementary stages of Commercial Law as part of this subject. As it is, the subject in question has grown up casually, a little has been added to syllabuses here and there, and the whole subject suffers from the defect that it aims chiefly at examination room work. A subject that could be made of wide interest and of educational value thus loses much of its educational force. It has come into existence because of syllabuses; text-books have been written round the syllabuses, whereas the syllabuses should have come into existence because of the subject.

Its importance in the curriculum of higher commercial schools can be gauged from the fact that it is included as one of the subjects of the Bachelor of Commerce Degree course of those Universities having a commercial faculty. But its importance for the business man has not yet been made clear. The text-books which have been written on the subject have been prepared too much on the lines

of the text-book intended for the professional man. Copious references are made to decided cases to which the reader has no access. The training in this subject is not, and has never been, intended to make the student a complete lawyer; it should, however, be taught with a view to bringing the young business man to a knowledge of the possible pitfalls that lie in the way of his relations with his fellow traders. It should teach him his rights and also his duties in commercial transactions, but it has never been intended as a means whereby a young business man may endeavour to extricate himself from difficulties into which he has fallen, but rather that he should avoid these difficulties and have sufficient knowledge to comprehend that the best way out of mistakes from the point of view of the law is to obtain as quickly as possible practical professional advice.

SECTION XVIII

COPYING OF MANUSCRIPTS

FEW men are able to draft a composition of importance in its final form at the initial attempt. The problem here is: How shall the teacher give effective guidance to prospective clerical workers to enable them to produce correct transcripts of MSS. which are often scrawls, with alterations, inter-lineations, marginal and foot-notes, and sometimes criss-cross writing? Rule-of-thumb methods of production and revision complicate the problem. Many MSS. have arbitrary abbreviations, and no punctuation except the full-stop.

Some copyists have great variety in MSS.—statistics, dialect, abstruse scientific and technical terms, foreign phrases, etc.; a sound education and wide general reading should, therefore, be put before students as essentials of success. Then, a thorough knowledge is required of current abbreviations, terms, phrases and marks for proof-correcting, a good vocabulary, and sound common sense; and also a rapid style of plain handwriting, accurate spelling and punctuation, and a good display.

Instruction should proceed somewhat as follows: Handwriting following the suggestions of the Civil Service Commissioners should be supplemented by dictation practice to increase the speed to, say, twenty words a minute. Revision of punctuation rules should be thoroughly undertaken, the points being made that there is no absolute standard, and that, unless obviously incorrect, the pointing of the MSS. must be followed. Set lessons on abbreviations, especially the standard Press list and others more or less uniform, should be given. A collection of graduated examples of MSS. should be worked through, speed being subordinated to accuracy and good writing. All exercises should be corrected for verbal accuracy, if necessary, by the students: the teacher reading aloud and afterwards marking. Except when special tests are

given, students should be encouraged to use dictionaries.

Points of special importance are the following—

The danger of omitting a passage through a word appearing more than once on a page may be prevented by sliding a flat ruler or piece of paper along the MSS.

Alterations of order may lead to omissions—enclosed passages and carets should be carefully watched. Numbered words sometimes show a changed order.

Most abbreviations should be written in full; and may be used in names of firms, notes, etc.

Special care should be taken by students to check figures (especially additions), and to write tabulations *across*.

Words should often be used for figures—clear instructions should be given.

The Capitals *I*, *J*, *T*, *S*, and the small letters *i*, *e*, *l*, *m*, *n*, *t*, *u* may clash; as may *y* with *g* for *-ing*; the long and short *s* with *p*; and *d* (like *delta*) with *s*.

Bad MSS. should be read through before writing is commenced; careful reference to similar signs will aid reading but blanks should be left rather than nonsense inserted.

Obvious slips of grammar and spelling should be corrected.

The following printers' marks should be understood: for delete; *stet* in margin and ..... under a word crossed out, to restore it; *trs* and to transpose order; N.P. and to show new paragraph start; *run on* and to show words should continue without break; *caret* to show something must be inserted there.

SECTION XIX

INDEXING

THE need for direction and quick reference makes easy the approach to the subject of indexing. It is simple to elicit from even young pupils instances of indexes of various sorts—sign-posts, tables of contents, etc. The index finger, so naturally used in pointing out things, may be referred to effectively in introducing the subject; one can give a general idea of the direction of an object by a motion of the head, but the pointing of the index finger is more definite. Definiteness is *the* necessity in indexing.

The register of the names of the students furnishes a ready illustration of arrangement; sometimes strict alphabetical order is followed, or the names beginning with the same letter are placed together in any order. This order of priority has in it no suggestion of order of value. Alphabetical order is universally known, and so serves for classification. But what about the names of new students? They must be put at the end of the register or, at any rate, at the end of each group, so that permanent alphabetical order is impossible. Could a method be adopted which would ensure alphabetical order for the names of all the students, including those who join late? Yes; loose slips or cards could be used; but, in this case, all the purposes for which registration is necessary could not be so well fulfilled; therefore, the list or book form is used, notwithstanding disadvantages of order. For arranging in order, at first individual slips are preferable to entries on foolscap sheets. It is the method followed for indexing the contents of books. A useful exercise may be given at this point: that of preparing an index of a dozen pages of a textbook which has no index. Treatises on law would lose half their value if they were not well indexed. Here the importance of such indexing may be easily

illustrated, and the qualities necessary for success in it set forth.

Book Indexes. On interrogation, students will soon tell the kind of names that business men must record—customers', clients', manufacturers', etc.—and the need for arranging these names is obvious to them. Students' own names and addresses serve as illustrations, additions of *Sons, Bros., & Co.*, etc., being made if desired; and, with others, may be used in subsequent exercises. The arrangement of these in an Address Book—starting with a nucleus of names properly arranged, following with any other as that of the next correspondent, and continuing haphazard—will emphasize the limitations of the book index, especially when changes of address are recorded and correspondents' names are struck off and others added.

Indexes should now be prepared with numbers representing the pages on which copies of letters may be found in the Outward Letter Book, or the pages of the Ledger on which accounts of customers and creditors may be found. The cross-reference as applied to Letter Books should be explained, as saving certain references to the book index.

Vowel indexes should be illustrated with the names previously used. Little fuss should be made about exceptional names such as Ahn, Epps, etc., which have the initial guide and no secondary vowel guide such as is required by the vowel index. The third-letter index, giving over 600 divisions, may next be introduced, still with the same names, also other forms (with or without extension indexes), such as artificial classes based on common combinations of letters (*e.g.* A, Al, Am, Ap, Ar, At; E, Ed, Eg, El, Et, Ev, etc.).

The Card Index. The Card Index should then receive attention. Its advantages over the Book Index will readily appear: revision is simpler and more economical of time; particulars may be typewritten; quicker reference may be made; and, best of all, strict alphabetical order may be preserved. Of course, the vowel index may be used with the card system if desirable.

The teacher should make it clear that the thing of prime importance is saving the time not of those who prepare the index, but of those who use it (and there are many uses), and he should not give the impression that the card index is always the best. For permanent indexes, such as those showing the contents of books, or having few names infrequently altered, and for indexes of catalogues (the index being suspended from the shelf containing the catalogues), the book index is preferable.

A cloth-covered box will serve the purpose of illustration. The advantages and disadvantages of the rod holding the cards; the utility of the sliding box; the advantage of slit cards, allowing the extraction of a card by a twist of the rod, instead of, as with the other variety, requiring the rod to be pulled out; and the important points respecting guide cards, tabs, colours, metal indicators, and cross-references, will require thorough treatment.

The many purposes to which the card index may be put should receive careful attention: in particular, the supplanting of the Address Book; the indicating in a thoroughly efficient scheme of filing of the numbers of the folders in which individual correspondence may be found; the recording of particulars of credit; etc.

COPY

The Filing of Correspondence. The important function of pointing to correspondence involves the explanation of several methods of filing applicable to businesses of different sizes, and the discussion of arrangements for special names. Correspondence may be preserved for reference by being filed in date order and afterwards bound with an index; placed in pigeon-holes after being folded and arranged alphabetically in bundles; filed under daily dates after an Inward Letter Register has been entered up; filed alphabetically or numerically in flat or vertical files. In pigeon-holing and alphabetical filing, the documents themselves are arranged more or less according to the principles of indexing. The necessity for docketing, because of the folding of letters, should be explained and illustrated in

connection with pigeon-holing. From the simple arrangement of putting all documents from firms whose names begin with the same letter in a division of a "concertina" box, or flat file, with copies of replies thereto preserved and indexed in Outward Letter Books, to the allocating of separate folders for each correspondent (after the passing of more than two or three communications, filed conveniently in a "Sundries" file), in which folders are put the copies of replies to, as well as the original letters received from, correspondents, the teacher will have scope for interesting lessons. But he should take care lest confusion becomes "worse confounded." About three good actual examples of differing methods should suffice, the best and most efficient for the majority of large firms—the numerical—being the last. The contrast with alphabetic filing will require careful handling, or the students will fail to see why the direct reference may not be so good as the reference to folders via the card index.

A summary of the chief instructions regarding arrangement and a few illustrations may prove useful. Dictionary order is well known—*baby, back, bad, bag, bait, bake.* Directory compilers have definite ideas of their own, but no complete agreement among themselves. The presence of names of firms and companies, and of individuals with initials or forenames, and of many identical names, causes a deviation from strict dictionary order in directories.

Classification is decided by—

1. Initial of surname.
2. Initial of first surname, as in Marsden & Foster (M).
3. Initial of important word in the permanent name rather than the initial of the surname of an individual (this is generally the first word of a full name except *The*).
4. Initial of *last* part of compound names—Baden-Powell (P).
5. Firm name (including names of Companies,

Societies, Institutes, etc.) should be together, preceding those of individuals.

6. Names should follow the general alphabetical order, omitting consideration of *&* and *The*.

7. Names having initials *instead of* forenames should precede names having forenames with the same initials.

ILLUSTRATION OF RULES 1-4—

Haworth Ashworth	A
Haworth & Ashworth	H
John MacDonald c/o James Graham & MacDonald	G
Manager, The Frigid Meat Company, Limited	F
Sir Henry Maden, J.P.	M
Goods Manager, The London & North-Western Railway Co.	L
The Rev. Bertram Lewis, B.D.	L
The Right Honourable D. Lloyd George, M.P.	G
Sir John Bothwell-Maye	M
The President of the Board of Trade	T
The Secretary of State for the Colonies	C
Dr. Barnardo's Homes	B

FOREIGN NAMES—

T. von Bethmann-Hollweg	H
S. von der Pfordten	P
F. d'Amely	A
A. van Lennep	L
Mme. San Carolo	C
Lord De La Warr	W

ILLUSTRATIONS OF RULES 5-7—

Smith, A., & Sons
Smith, Albert, & Sons
Smith, Arthur, & Co.
Smith, B., & Co.
Smith & Brother
Smith & Brothers
Smith Brothers
Smith & Brown
Smith, C. A., & Co.
Smith, Charles, & Co.
Smith, E., & Co., Ltd.
Smith, E. A., & Co., Ltd.

Smith, Ernest & Frank
Smith & Jonas
Smith & Jones
Smith & Son
Smith & Sons
Smith & Sons, Ltd.
Smith, W., & Co.
Smith, W., & Cook.
Smith, William, & Co.
Smith, W.
Smith, Walter
Smiths, Ltd.

Jackson, A.
Jackson, A. B.
Jackson, A. S.
Jackson, Albert
Jackson, Arnold
Jackson, B.
Jackson, B. W.
Jackson, Ben.
Jackson, Benjamin
Jackson, Benjamin James
Jackson, C.
Jackson, C. A.
Jackson, Charles
Jackson, Chas.
Jackson, James
Jackson, John (Aberdeen)
Jackson, John (Bolton)
Jackson, John (Manchester)

The last two lists might be combined with the same surname, but the points of importance will probably be better apprehended from the two lists —at least, at first.

SECTION XX

COMMERCIAL FRENCH

THE study of Commercial French is of great importance, but the results are frequently far from commensurate with the labour bestowed on it, both by teachers and students. It is worth while to examine the different methods adopted to produce satisfactory progress.

Elementary. For students only moderately familiar with the regular and auxiliary verbs, the matter used should be simple, although including the everyday expressions of general business life; *e.g. Les marchandises ne sont pas encore arrivées* (The goods have not yet arrived); *Nous attendons vos nouveaux échantillons* (We await your new patterns); etc. Constant translation of this kind from and into French is bound to bear good fruit. To introduce variety into the work, well-chosen original letters in French may be taken phrase by phrase and, after these have been thoroughly assimilated, the full translation may be taken orally, and repeated until the student can, with occasional reference, reproduce the French original from his own English translation.

A useful plan with beginners is to substitute dashes for certain indispensable words in the French original, the student restoring the missing words. To write the letter again in the plural, if the sender has written in the singular, is also profitable; *e.g. Nous confirmons notre dévouée du* 11 *courant*, in place of *Je confirme ma dévouée du* 11 *courant* (I confirm my respects of the 11th inst.); or *vice versâ*. Besides exercises in phrases and complete letters, practice in speaking, a thing of the highest importance, may be obtained from a simple Commercial French Reader on subjects connected with the work of an exporting house, or on a traveller's business journey, etc. If not sufficiently elaborated in the Reader, these should be developed by the

teacher himself out of his own experience of commercial transactions and the circumstances of foreign travel. A practical way of dealing with these sketches from actual life is for the teacher to read them out slowly several times, explaining new words and phrases, and to question the pupils afterwards on the meaning of each paragraph. When he thinks that all the pupils have a fair idea of the purport, he gets them to write down the whole from his dictation; he then reads it again sufficiently slowly for them to make necessary corrections. Afterwards the students "change and correct," while the teacher reads the whole piece again. Simple questions in French on points of the piece taken down will give opportunities of supplying suitable answers based on the text, and will lead gradually to fluency in conversation.

Advanced. When the pupils have had sufficient practice of this kind to be considered advanced students, the plan of campaign may be extended on the lines indicated. By this time, it will be of benefit if the teacher makes a practice of reading short compositions in French, and asking the pupils to reproduce them in English: this system of dictation and reproduction is adopted by the Royal Society of Arts in their *vivâ-voce* tests in languages.

Encouragement should be given to the composition of letters, essays, and conversation on commercial subjects. Headings may be given in advance, in order to afford opportunities for thinking out details and acquiring variety in phraseology by means of researches into suitable books.

For instance, a programme could be drawn up for the session, and compositions recommended on such subjects as—

1. *Arrangements entre associés* (Agreements between partners). Capital, Establishment of a Shipping House, etc.; then the teacher dictates in English a circular to be sent to prospective customers.

2. *Offres de service pour emplois et réponses*

(Applications for agencies and replies), on which will follow getting in patterns from different manufacturers, and names of principal goods exported, such as woven goods, hardware, machinery.

3. *Envoi d'échantillons à des maisons d'outremer* (Sending patterns to various firms abroad), embracing letters written in French, offering goods, price-lists, conditions of payment, etc.

4. *Engagement d'un voyageur* (Engagement of a traveller), in which we deal with his pattern-set, circulars in French to announce his visits abroad, letters of credit, etc.

5. *Commandes reçues* (Orders received); with contracts, purchase-notes at home; sale-notes for abroad; goods delivered by manufacturer; and claims on him, if necessary.

6. *Frais de facture* (Invoice charges), comprising making-up of goods; packing, cartage and carriage; shipping and freight, the latter bringing in, as side issues, chartering vessels, fines for delay at destination in presenting bill of lading, Custom House fines for wrong formalities, insurance, bill-stamps, reference patterns, bank commission, brokerage, discounts, commission, postage, and telegrams.

7. *Fils; filage et tissage* (Yarn; spinning and weaving), with all details, such as bleaching, calendering, dyeing, embossing, filling, finish, length, material, printing, quality, stiffening, stretching, and width; other goods with corresponding technical details.

8. *Avis aux agents maritimes* (Advices to shipping agents), with consular invoices in French, French Custom House tariffs, etc.

9. *Calcul des prix* (Calculation of prices), loco London, Manchester, Liverpool, etc.; free packed, free rails, f.o.b. port, free dock or D/D, delivered alongside (F.A.S.), free port of departure, C.F., C.I.F., franco port of destination, free delivered C.H., free duty and free domicile (*i.e.* customer's warehouse or store).

10. *Factures des marchandises* (Goods invoices), with debit and credit notes for particular items, etc.

11. *Connaissements* (Bills of lading), which will supply an immense number of technical terms.

12. *Traites sur banquiers* (Drafts on bankers), drafts on customers, remittances received, accounts-current sent, promissory notes, receipts, banking in general, bills and various financial operations.

13. *Réclamations pour livraison retardée* (Claims for late delivery), claims for defective goods, shorts, missing goods; particular average, total loss and general claims; allowances made or refused, and goods left for account.

14. *Compte de consignation* (Consignment account) including sales by auction, etc.

15. *Procès* (Law disputes), bringing in chicaneurs, dunning, defaulters, failures, fraudulent bankruptcy, compositions, dividends, extension of term of credit, embargo on goods, etc.

16. *Arrivée des clients* (Arrival of customers), visits to them at their hotel, selling goods to them and getting out value each day for mutual guidance, arranging terms of payment, instructions with orders, and generally making the customers' stay agreeable.

17. *Amener les clients chez les fabricants* (Taking customers into the market), if this suits the merchant's line of business; taking them to make private purchases, and to theatres, concerts, etc.; of course, before doing business in the first place, we shall have written various letters in French asking for information about them.

18. *Voyageur pendant son premier voyage d'outremer* (Traveller on his first journey abroad): aboard ship, arrival at destination, hotel life, calls on customers, orders obtained.

19. *Vie à l'étranger* (Life abroad): French offices and stores, social footing, French book-keeping, etc.

20. *Change* (Exchange), introducing fluctuations in the rate of exchange, gold premium, silver question, bimetallism; produce sold here for customer's account; and market reports at home and abroad.

The above-named subjects offer considerable

scope for writing and conversation; under an enthusiastic teacher, the study of Commercial French should make rapid progress, while affording much interest to the pupils.

French is spoken and taught in every country in the world. Along with English, it may be considered as a universal language, such as the authors of Volapük and Esperanto have had in view.

SECTION XXI

COMMERCIAL GERMAN

COMMERCIAL German being a language in itself, those who teach it must make a detailed study of it. Its vocabulary is highly technical and contains a great many foreign words; and some of its familiar constructions are direct violations of rule. For a teacher to take the view that foreign words should be superseded by German equivalents, and ungrammatical constructions corrected would be unpractical: the foreign elements and solecisms are too deeply embedded in the commercial jargon to be eradicated by purists. It is easy to say that *annullieren* and *stornieren* are unnecessary substitutes for *abbestellen*, but the words remain, notwithstanding the objection.

Vocabulary and Idiom. Many of these foreign words seem mysterious to the student, who will want to know their origin. If, in studying expressions of weight, a class is told that *sporko* means "gross," some one possibly will ask for the root-meaning of *sporko*; a little knowledge of Italian will enable the teacher to answer that *sporco* means "unclean." Many teachers have at least a smattering of Italian, and the numerous words borrowed from Italian will be clear to them; but it can hardly be expected that they should know all the other languages from which words have been drawn. It will be enough to know, for instance, that *Kux* ("mining share") is Bohemian. The required information can be obtained from a little sixpenny book: Köhler's *Fremdwörterbuch* (in the "Reclamsammlung"). Kleinpaul's *Das Fremdwort im Deutschen* ("Sammlung Göschen") is also serviceable.

The main difficulties of Commercial German are: first, that it varies in vocabulary and idiom according to locality; second, that each branch of trade or manufacture has its own technical terms.

Austrian, Polish, and South American merchants have strongly marked peculiarities of diction; specialists in Commercial German should know, for instance, that the abbreviation *Tit!* (for "Titel") is sometimes used in Austria at the head of circulars instead of the more usual *P.P.* (*praemissis praemittendis*, *i.e.* "Sir or Madam"); and that *passato* is a favourite South American expression for *vorigen Monats* ("ultimo"). Manuals and dictionaries are rarely complete as far as local expressions are concerned: the best way to acquire the knowledge is to read actual business letters. Perhaps the best teachers are those who have had experience as correspondents. Often, however, one who has only book knowledge can persuade his students to show him letters or copies of letters which they or their principals have received; and he will find it helpful to interpret them, using them for dictation or oral practice. In this way, especially if the members of the class are engaged in different branches of trade, a variety of vocabulary is acquired, and the students are satisfied that they are learning actual business German.

Variety is essential. The standard manuals of Commercial German are sufficiently varied in matter, but for advanced classes extra material will usually be found necessary. It is a good thing if students can be persuaded to practise composing letters of their own: they will then naturally write letters dealing with their own branch. These, when corrected by the teacher, may be used for class practice. In what is probably the most difficult section of Commercial German—market and trade reports—variety of matter is easily obtained: the reports in the German newspapers should be used. If the teacher is himself a subscriber to a German newspaper, he will be sure to find the students grateful if he lends his copies to them. The *Berliner Tageblatt* or the *Frankfurter Zeitung* cost only a few shillings a month; and the teacher of advanced, or even intermediate, classes would find the results pay for the outlay.

Difficulties of Script. The growing use of the

typewriter is rapidly doing away with the difficulty of having to decipher manuscript letters in German handwriting; but a German correspondent must be able to read any manuscript letter that may come in. Nothing affords such good practice as actual letters; but it may be difficult to accumulate a stock of them, unless the teacher can persuade his business friends to let him ransack their files. But letters in the teacher's own handwriting may be used; and the teacher's friends, especially his German friends, or even his students, could provide him with material. The practice may begin with letters carefully written, and pass on to scrawls and scribble. If, however, a text-book is preferred (and this will be the case where there is no facility for taking a sufficient number of copies of a letter to go round a class), Lévy's *Recueil de Lettres allemandes* (Hachette) will be found suitable.

Technical Information. But more is required to complete the student's course than practice in letters and market reports. If he is to qualify himself to pass the usual examinations, he must have practice in reading technical matter referring to commercial transactions, banking operations, commercial law, etc. A comprehensive manual is Pitman's *German Commercial Reader*. Preisinger's *German Commercial Reader* (Rivington's) contains good texts, but is in some respects out of date.

If a teacher of languages had merely to render, automatically, the words he teaches, his task would not be particularly onerous. But intelligent students will demand not merely the equivalent of a *word*, but the actual meaning of the *thing*. It will not satisfy an ambitious junior to be told that *Dispache* or *Havarieberechnung* means "adjustment": he will want to know what an "adjustment" is. A good teacher will, of course, have sufficient interest in what he teaches to provide himself with the necessary information; but in difficult cases he might consult Pitman's *Business Terms, Phrases and Abbreviations*.

The teacher should encourage his students to

talk in German about what they have read. There are excellent models of such conversations in Pitman's *German Business Interviews*, and in Whitfield and Kaiser.

If elementary classes are taught, and it is desired to concentrate on the commercial terminology from the very beginning, there are two good books available: Pitman's *Commercial German Grammar* and Coverley Smith's *Introduction to Commercial German* (Macmillan).

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SECTION XXII

COMMERCIAL ITALIAN

ITALIAN, of late, has not been widely studied as a commercial language, though it is probable that more attention will be devoted to it in the near future, because Italy's sphere of action is bound to extend—at any rate, business relations with Great Britain, brisk as they are, will necessarily increase. A historical outline will perhaps be interesting. In the time of Henry III, " the Companies of Italian Merchants came to England for the purpose of purchasing English wool," as Mr. Rhodes relates in his essay on *The Italian Bankers in England.* Under Edward I, commercial intercourse between Britain and the glorious Italian Republics was very active. The Bardi, Pulci, Frescobaldi, and Peruzzi families of bankers had large dealings with England; and it is recorded that King Edward III borrowed huge sums of money from the Peruzzis, which, owing to State complications, were never returned in full. As is well known, Europe owes to the inventive genius of the Italians its systems of book-keeping (single and double entry) and of banking. J. Russell-Lowell, the great American writer, in a note on his essay on Dante, says: " . . . the bill of exchange, endowing value with the gift of fern-seed and enabling it to walk invisible, turned the flank of the baronial system and made the roads safe for the great liberalizer: Commerce." Trade guilds were very prosperous in the Middle Ages in Central Italy; and the Florentine merchants, let it be remembered, not merely devoted their attention to commerce, but were great patrons of arts and letters. In the fourteenth century, trade in textiles was very active between the two countries; and the Florentine merchants purchased woollen stuffs in the county of Lancaster, which were then subjected to a special process, and afterwards

re-exported to England and sold at a very high price. It is well to remember that the Venetian Sebastian Cabot, a navigator of celebrity and the discoverer of Newfoundland, was in the service of Henry VII. In the reigns of Henry VIII and Queen Elizabeth, active relations were maintained with the Genoese, who built for England entire fleets of galleys. In subsequent centuries, Italy, torn by internal dissensions, became an easy prey to the foreigner; and the French, Austrians, and Spaniards, in turn, contended for its possession. Since Italy, however, regained her independence, she has made immense strides, and her commerce and industries have developed marvellously. Suffice it to mention that, while the sum total of Italian commerce was, in 1861, barely £640,000, in less than half a century (1907) it had reached the astounding sum of £184,000,000, exclusive of precious metals.

Italian as a Commercial Language. If Italian in later times has not been used more as a commercial language, the fault must be partly attributed to Italian merchants themselves, for, whenever an English firm attempts to write to clients in Italian, they generally reply in English, French, or even Spanish, often very indifferently expressed. From the point of view of its suitability as a medium of commercial intercourse, it may be said that the Italian language is simple, clear, concise, and well adapted for business letters. It is not very difficult to learn either, when it is considered that English students are provided with excellent books in commercial grammar and correspondence, together with a dictionary. A practical knowledge of the language can be acquired without residence in the foreign country. Frederic Harrison expressed his opinion that Italian is the tongue most suitable as an international medium of communication. After Spanish or French, it is the language which the English find easiest, for it is not difficult to acquire fluency in it if care is taken to learn the rudiments carefully. It was said at one time that the English had no aptitude for languages—this is utterly untrue. Circumstances have changed, and foreign

tongues have been studied with great eagerness in the last twenty years. Many young men, on account of their linguistic attainments, now occupy responsible positions, and it must not be forgotten that Italian is sometimes important for those who enter the Civil Service.

Methods of Teaching. Of course, it is indispensable that all young men and women who devote themselves to the study of Italian should be well acquainted with their native language. The best plan is to insist that the student shall make himself familiar with the grammar, but at the same time teach him to speak from the very first lesson. Then, if the pupil has for his chief object the study of the language for commercial purposes, dictate to him the most important terms connected with his trade or profession. Afterwards he may be initiated into the secrets of the language and given a series of stereotyped idioms which are in constant use in commercial style. The next step is for the student to write easy letters for correspondence till he is able to acquit himself tolerably well.

In estimating the probable value of Italian as a commercial language in the future, let it be remembered that Italian is spoken by over 40,000,000 people, 35,000,000 of whom are in Italy proper. It is the medium of communication on both shores of the Mediterranean, in Christian and Mohammedan lands. Finally, there are large colonies of Italians in the South American Republics whose vernacular is the language of Dante and Tasso.

SECTION XXIII

COMMERCIAL SPANISH

EVERY day attention is drawn to the increasing importance of the Spanish language as a commercial medium, and this is hardly surprising when we consider the vast extent of territory where this harmonious tongue is spoken. Besides in its country of origin, Spanish is spoken all over the American continents (with the exception of the United States and Brazil), in the West Indies, and in a considerable portion of Africa; and it is the channel through which the greater part of the business transacted by Great Britain with the countries mentioned is conducted. The Spanish merchant, under which designation we include the merchant of the Spanish-speaking republics of America, is a very indifferent linguist, and prefers to conduct his business relations with foreign countries in his own tongue, which, apart from little differences of orthography, accent, and idiom, is to all intents and purposes the same, whether spoken in Madrid or in Peru.

The student of commercial Spanish, obviously, should become acquainted with the fundamental rules of the grammar before he devotes himself specially to the commercial part. A commercial grammar is an advantage, but it is not indispensable, as the student loses nothing by his acquaintance with the literary side of the language.

Very many words and expressions are in vogue which have a special commercial significance; hence the necessity for treating commercial Spanish as an almost distinct branch of the language. A person might possess a fairly good knowledge of Spanish, and yet, having no acquaintance with commercial or technical phraseology, be of little practical use in a mercantile house.

The teacher of commercial Spanish must be well versed in business routine, and be familiar with current expressions used in commerce. It is, of course, practically impossible for a teacher to be

conversant with all the terms employed in every section of industry, and it would be unreasonable to exact so high a standard. Nevertheless, he should possess a good knowledge of the phraseology or technical names employed in the principal branches, such as textiles, hardware, and machinery, as well as of the names of the products which come from the republics of Latin America.

Commercial Letters. The translation of commercial letters is undoubtedly the most useful work for students of commercial Spanish, and, by commencing with simple specimens and then undertaking others of gradually increasing difficulty, the students become practised in the most general expressions, and their powers of turning English into Spanish rapidly improve. In this important work the teacher's aim should be to encourage the students to develop as much as possible their individual talents.

There is, however, nothing more tedious or monotonous than the system followed by many teachers of languages, namely, to give the students a number of letters in both languages, say, Spanish and English, for translation, and to continue the same kind of work week by week, without any deviation from this dreary routine.

The students' minds should be constantly stimulated by change of occupation. It is far more profitable to take one or two letters during the hour, and to raise an interesting discussion on their main features or technical expressions, than to translate half-a-dozen letters hurriedly, without paying particular attention to the composition and grammatical structure of the work in hand.

It should be the constant aim of the teacher to test, as much as possible, the individual aptitude and originality of the students, and a spirit of friendly rivalry will have very beneficial results. In this respect, the students should be trained to compose letters on matter supplied by the teacher, enlarging upon the theme at will. Work of this kind is a valuable training for the students' mental and epistolary powers, and cultivates self-reliance.

From time to time, letters or commercial passages should be dictated to the class in Spanish, in order to accustom the students to the sound of the spoken language. This is also an excellent spelling exercise.

As it is a difficult matter to compose letters *extempore* on all manner of commercial topics, the text-book becomes an almost indispensable aid to the study. The specimen letters of such a work should deal with a variety of subjects, commencing with announcements and circulars in reference to the establishment of business relations, and dealing successively with the various stages of development, viz., offers of services, travellers' visits, letters of introduction, asking information, inquiries, credits, execution of orders, complaints, shipping, finance, market reports, etc.

Books and Newspapers. In the choice of a text-book, the teacher should assure himself that it is up to date, and that the examples are real, living specimens of letters, not merely stilted forms such as would seldom be written in actual business. Practical utility should not be sacrificed in favour of academical accuracy. Many publications contain a very large number of letters which are of little use to commercial men, as they do not touch upon the kind of business for which the majority of students are shaping their studies. The text-book should also embody a good store of general information, and thus serve as a reliable reference.

A Commercial Reader is a very important addition, as it furnishes valuable material, and, almost unconsciously, the students using such a work get accustomed to Spanish phraseology and to the idiomatic niceties of the language. The reading should always be of an analytical character; manifestly it is more advantageous to read a little, and to study the structure of phrases and the meaning of technical words and expressions, than to read rapidly and carelessly, with the almost inevitable result that little or nothing is retained in the mind.

The perusal of Spanish newspapers is a profitable and entertaining form of study, as most newspapers

contain matter which may be termed commercial. One is always sure that the language used in newspapers is quite modern; but, of course, only the best newspapers are recommended. Moreover, a newspaper gives one, frequently enough, an insight into the people's way of living and thinking, and such knowledge may prove a valuable asset.

Conversation, Etc. It is of paramount importance that the conversational side should not be neglected. In an advanced class, English should be spoken as little as possible. Conversations could easily be formed on the letters or other work of the class, or on a subject taken from the Commercial Reader. The teacher, for instance, could raise an important question, inviting the students to give their views. The conversation might be varied and made more interesting by the introduction of anecdotes or personal experiences. Sometimes a light topic of the day will prove the most successful theme, as the students may then feel more inclined to give expression to their opinions.

An alternative plan would be for the teacher to give, from time to time, short lectures or conversations in Spanish regarding different commercial subjects. For example, if the teacher has travelled, he could give a description of some foreign town or land and the habits of its people. On the other hand, the students could be induced to compose short essays in Spanish on general topics, ranging from a holiday spent abroad to the description of their daily occupation or hobby. Another way would be for two students to assume the respective *rôles* of salesman and buyer, and to hold an imaginary conversation. Sometimes a controversial political question will be the best means of stimulating the conversational powers of diffident students.

Every encouragement should be offered to the students to ask questions, as pertinent inquiries are frequently the means by which the teacher opens, so to speak, his own store of knowledge, which might otherwise remain almost sealed to the class. The essential thing is that the knowledge

of the teacher should be imparted as much as possible to the students, and this is conveniently done by constant and intelligent questioning.

The main principle which the teacher should ever bear in mind is the shaping of the student for a subsequent career, say, that of traveller, salesman, or correspondent. It will readily be recognized that the best preparation for such posts is that which combines useful conversational practice with the translation of mercantile letters and documents from one language into the other.

Anything in the nature of dull routine should be avoided. Variety and interest are the soul of language study. The work should be free and liberal, and not cramped or bound by convention. The teacher should be constantly endeavouring to vary the work, so that the students' interest does not flag. There ought to be scarcely any limitation to the range of the study. Let the students come to the class without knowing too definitely what the work or study is likely to consist of; thus their study will be made more pleasurable and they will be more eager to attend. The students should be trained to think and act for themselves, and the teacher should provide the stimulus and the necessary revision, guiding himself always by that sound Spanish proverb: *Obras son amores, y no buenas razones.*

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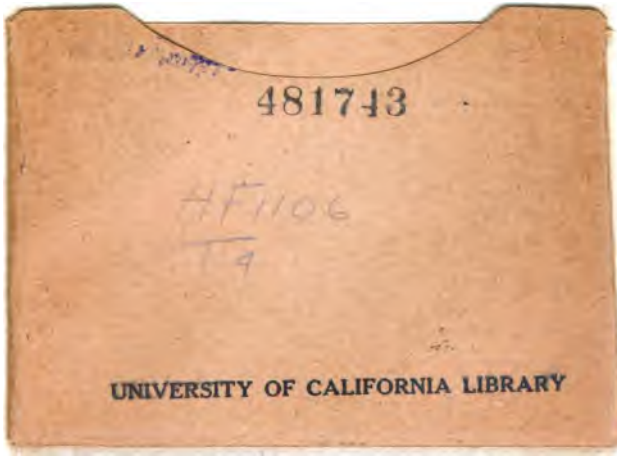
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